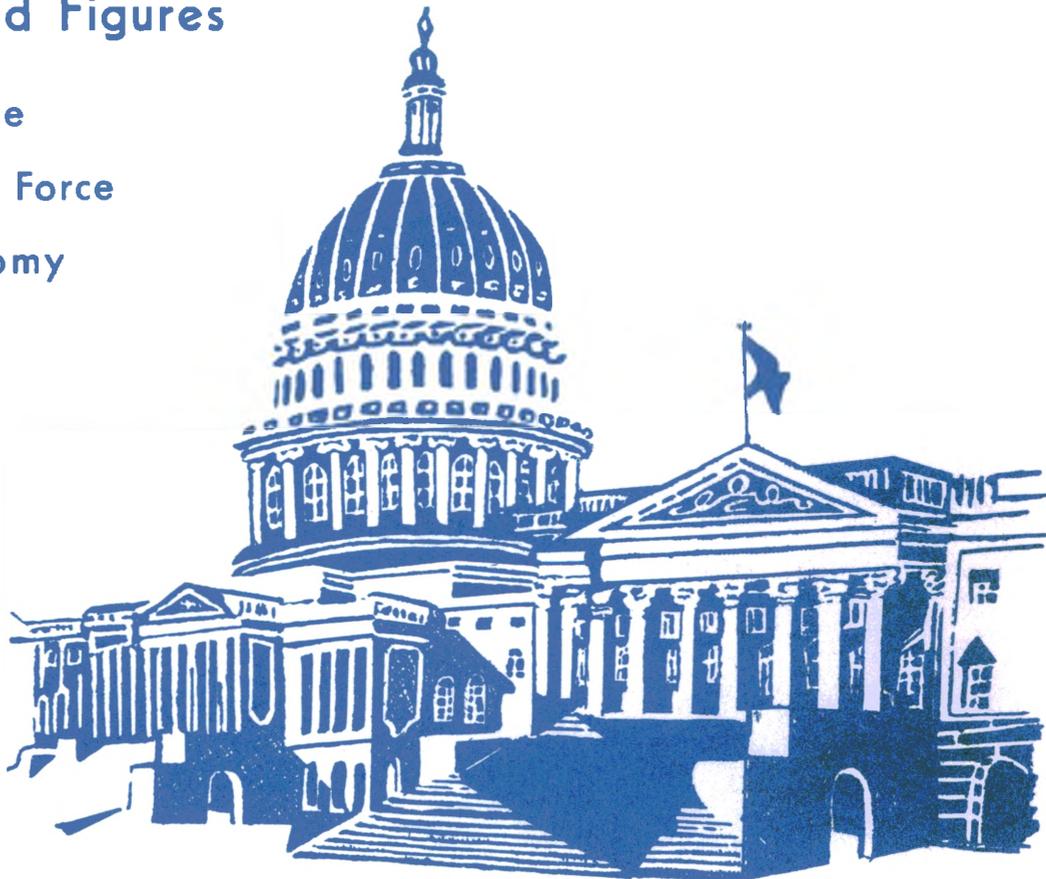


ECONOMIC FORCES In The UNITED STATES

In Facts and Figures

- Its People
- Its Labor Force
- Its Economy

7TH EDITION
SEPTEMBER 1963



UNITED STATES DEPARTMENT OF LABOR
W. Willard Wirtz, Secretary

BUREAU OF LABOR STATISTICS
Ewan Clague, Commissioner

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Bulletin No. 1384

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W. Willard Wirtz, *Secretary*

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Ewan Clague, *Commissioner*



Preface

This book is intended as an introduction to the American economy. It aims to acquaint foreign citizens with economic life in the United States and to serve as a starting point for further study. It attempts to inform, not to influence.

Topics were suggested in great measure by participants in technical, cultural, and educational exchange programs sponsored by governmental and private efforts during recent years.

This seventh edition was prepared by Elenor Gould Murphy, under the supervision of Lloyd A. Prochnow, in the Bureau's Division of Foreign Labor Conditions, under the general supervision of William C. Shelton, Chief.

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Explanatory Notes

Statistics cover the 50 States, and include the District of Columbia, unless otherwise noted.

A *billion*, in United States usage, is one thousand million (1,000,000,000).

The term *labor force*, as used by U.S. Government agencies, includes all persons age 14 years and over who work on their own account or in the employ of others—that is, employers, self-employed persons, salaried employees, wage earners, and unpaid family workers who work 15 hours or more a week at a family farm or business—as well as unemployed persons seeking work, and military personnel. “Labor force” corresponds roughly to the term “economically active population” used in some countries.

In the United States, the term *employees* refers to persons in the employ of others—that is, either wage or salaried workers.

Estimates

Statistics are widely used in the United States by management, labor, government, and the public generally. The demand by these groups for prompt current statistics has led to the use of sampling techniques in the compilation of many series, and modern methods of sampling have greatly improved the accuracy and speed of many surveys and reduced their cost and the burden on respondents. Sampling is used by the Federal Government, for example, to determine month-to-

month changes in consumer and wholesale prices and employment, to forecast conditions and yield of crops and to estimate family household expenditures and savings. Sampling is especially useful for measuring changes that have taken place since the last complete census of the subject.

Unemployment data, for example (as estimated each month by the Bureau of Labor Statistics), are based on a sample of about 35,000 households in 357 areas throughout the country. Current estimates of employment, hours, and earnings are calculated by the Bureau of Labor Statistics from data obtained from a sample of about 180,000 non-agricultural establishments in all parts of the United States. Detailed explanations of the survey procedures and estimating methods used by Government agencies are always available and can be obtained from the issuing departments.

Preliminary Data

Text and tables contain the most recent information available at the time of compilation. The latest figures are, in many cases, preliminary and subject to later revision.

Averages

Unless otherwise stated, the word *average* indicates an arithmetic mean.

Rounding

Because of rounding, individual figures do not, in all cases, add exactly to the totals given.

Some Important Dates in U.S. History

- 1000----- Norsemen discovered America.
1492----- Columbus discovered America.
1565----- First permanent settlement established by Spaniards at St. Augustine, Florida.
1607----- First permanent English settlement established at Jamestown, Virginia.
1754-63----- French and Indian War (1756-63, Seven Years' War in Europe).
1775-83----- American Revolution for independence from Great Britain.
1776----- Virginia Declaration of Rights declared "All men are by nature free and independent."
Declaration of Independence signed by the 13 colonies.
1788----- Constitution adopted.
1789----- George Washington inaugurated as first President.
1793----- Cotton gin invented.
1803----- Louisiana purchased from France (827,200 square miles, 2,142,400 square kilometers, west of Mississippi River).
1804-06----- Lewis and Clark expedition overland to Pacific Ocean.
1812-14----- War of 1812 with Great Britain.
1823----- Monroe Doctrine declared Western Hemisphere not open for colonization by European powers.
1825----- Erie Canal opened.
1846-48----- War with Mexico.
1861-65----- Civil War (War Between the States).
1862----- Homestead Act granted adult settlers 160 acres (65 hectares) free land west of the Mississippi River.
1863----- President Lincoln's Emancipation Proclamation freed the slaves.
1867----- Alaska purchased from Russia.
1869----- First railway across the country to the Pacific Ocean completed.
1886----- American Federation of Labor formed.
1887----- Interstate Commerce Act for Federal regulation of railroads enacted.
1890----- Sherman Anti-Trust Law declared illegal "every contract, combination * * * or conspiracy, in restraint of trade."
Census Bureau noted disappearance of any definite frontier line of settlement.
1898----- Hawaii joined the United States.
War with Spain.
1903----- First successful airplane flight by Orville Wright.
1912----- New Mexico and Arizona admitted as 47th and 48th States, respectively.
1913----- Income Tax (16th) Amendment to the Constitution empowers the Federal Government to tax incomes.
Federal Reserve Bank system established.
U.S. Department of Labor created with executive rank.
1914----- Federal Trade Commission created to promote fair competition.
Panama Canal opened.
1917-18----- United States participated in World War I.
1920----- Woman-Suffrage (19th) Amendment to Constitution ratified.
1929----- Stock market collapse heralds the economic depression of the early 1930's.

- 1932----- Reconstruction Finance Corporation established.
- 1933----- "New Deal" began with inauguration of Franklin D. Roosevelt as
President.
Tennessee Valley Authority created by Congress.
- 1935----- Social Security Act enacted.
Committee for Industrial Organization (CIO—later the Congress of
Industrial Organizations) formed.
National Labor Relations Act (Wagner Act) enacted.
- 1938----- Fair Labor Standards Act (Federal Wage-Hour and Child-Labor
Law) enacted.
- 1941-45----- United States participated in World War II.
- 1945----- First United Nations conference. Charter of U.N. signed June 26.
- 1946----- Philippines became independent, July 4.
- 1947----- Labor-Management Relations Act (Taft-Hartley Law) enacted.
Marshall Plan enacted.
- 1949----- North Atlantic Defense Pact signed, April 4.
- 1950-53----- Korean hostilities.
- 1955----- American Federation of Labor and the Congress of Industrial Organi-
zations merged to form the AFL-CIO.
- 1958----- U.S. put its first earth satellite into orbit, January 31.
- 1959----- Alaska and Hawaii admitted as 49th and 50th States, respectively.
- 1961----- John F. Kennedy inaugurated as President, January 20.
Alliance for Progress concept accepted.
- 1962----- Manpower Development and Training Act enacted.

Economic Forces in the United States

Geography

The United States consists of 50 States and the District of Columbia. In addition, there are a number of islands and territories under its jurisdiction. By its own free choice, Puerto Rico has assumed commonwealth status with its own elected government, while its people keep their American citizenship. The Virgin Islands, purchased from Denmark, has an appointed Governor and its Senate is elected by its residents who are also American citizens. The Canal Zone, a strip of land 10 miles wide, is leased from the Republic of Panama. A number of small islands in the Pacific Ocean are U.S. possessions and others are under U.S. trusteeship from the United Nations.

For purposes of this study, the United States data refer to the 50 States and the District of Columbia unless otherwise specified (table 1).

The airline distance across the 48 States is about 2,500 miles (about 4,000 kilometers). With Alaska, the two points farthest apart are Cape Prince of Wales, Alaska, and Mangrove Point, Fla., a distance of 4,566 miles (7,347 kilometers). From San Francisco, Calif., to Honolulu, Hawaii, the distance is 2,392 miles (3,849 kilometers); from Seattle, Wash., to Juneau, Alaska, 899 miles (1,466 kilometers).

The 48-State area lies in four time zones called, respectively, the eastern, central, mountain, and Pacific zones. Alaska extends westward from the

Pacific zone through three additional time zones, ending at the international date line. The border between the 48-State area and Canada is 3,987 miles long and the Canada-Alaska border is 1,540 miles long, a total of 5,527 miles (8,893 kilometers). The United States-Mexican border is 1,833 miles (2,943 kilometers) in length.

Geographic Features

The United States is the fourth country in the world in population and the fourth also in area. The area of the 48 States and the District of Columbia, excluding Alaska and Hawaii, is fifth in size—about as large as Australia, but smaller than Brazil.

For purposes of comparison, the tabulation below gives the areas and populations of other large countries:

	Area	Square miles	Square kilometers
U.S.S.R.....	-----	8,649,512	22,402,200
Canada.....	-----	3,851,812	9,976,177
Mainland China.....	-----	3,691,512	9,561,000
United States (50 States).....	-----	3,615,211	9,363,394
Brazil.....	-----	3,287,204	8,513,858
United States (48 States).....	-----	3,022,387	7,827,982
Australia.....	-----	2,974,583	7,704,157
	<i>Population (1960-62 estimates)</i>		<i>Number</i>
Mainland China (1962).....	-----		700,000,000
India (1960).....	-----		432,567,000
U.S.S.R. (1960).....	-----		214,400,000
United States (1960) (48 States).....	-----		179,323,175

TABLE 1. AREA AND POPULATION, 1960

Area	Area (land and water)		Population		
	Square miles	Square kilometers	Total	Per square miles of land area	Per square kilometer of land area
All areas, total.....	3,628,150	9,396,826	183,285,009		
United States.....	¹ 3,615,211	9,363,394	179,323,175	50.5	19.5
Conterminous United States.....	3,022,387	7,827,982	178,464,236	60.1	23.2
Alaska.....	586,400	1,518,776	226,167	0.4	0.2
Hawaii.....	6,424	16,636	632,772	98.6	30.1
Commonwealth of Puerto Rico.....	3,435	8,897	2,349,544	686.8	249.3
Island possessions.....	463	1,143	123,151	² 266.0	² 107.7
Other outlying areas.....	9,041	23,392	114,718		
Canal Zone (leased).....	653	1,432	42,122	116.4	56.3
Corn Islands (leased).....	4	10	1,872	² 468.0	² 187.2
Trust Territory of the Pacific Islands.....	³ 8,484	21,950	770,724	102.9	39.7
Population abroad at time of 1960 census.....			⁴ 1,374,421		

¹ Land area 2,971,494 square miles.

² Population per unit of land and water area.

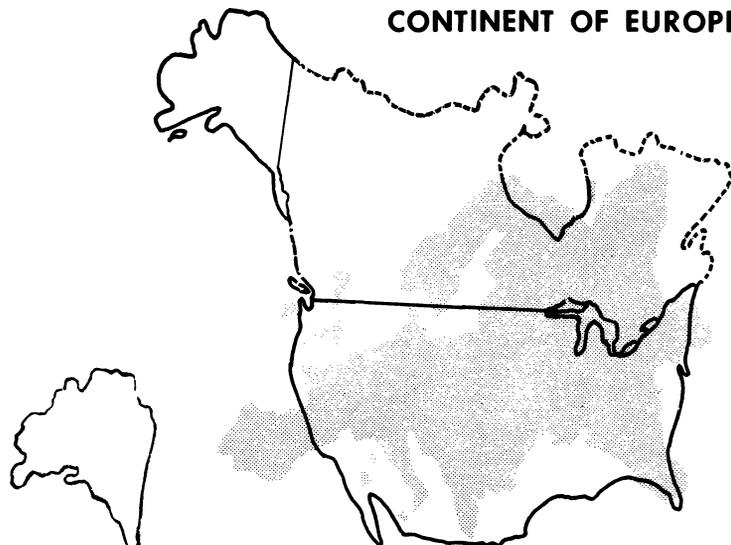
³ Land area 687 square miles.

⁴ Chiefly Armed Forces and families.

UNITED STATES AND OTHER COUNTRIES



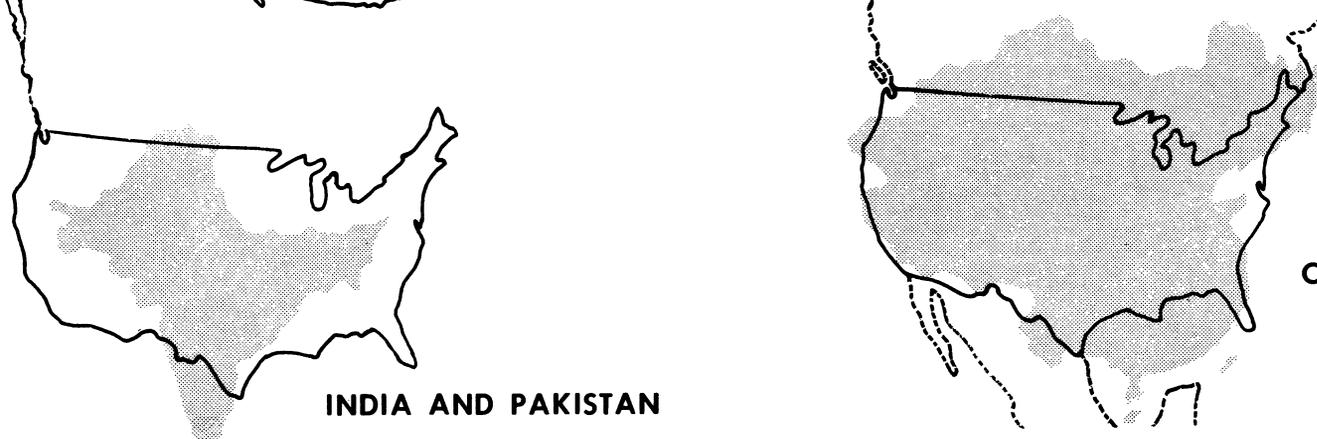
CONTINENT OF EUROPE



AUSTRALIA



CHINA



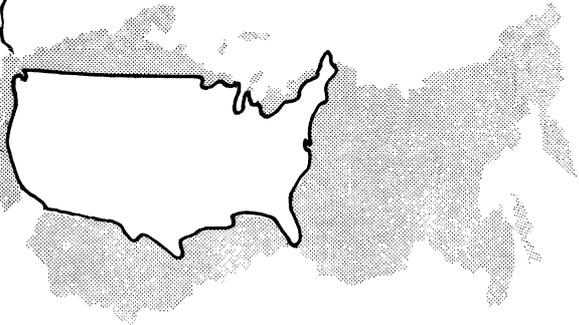
INDIA AND PAKISTAN



Source: Maps from New World Horizons, by Chester H. Lawrence.

UNITED STATES AND OTHER COUNTRIES

U.S.

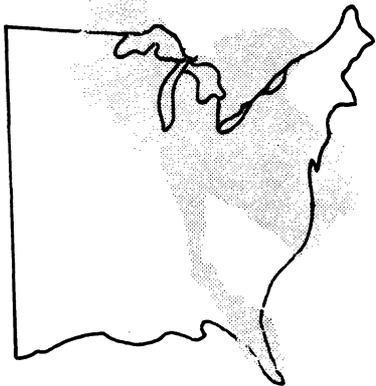


UNITED STATES AND U S S R



**WESTERN
HEMISPHERE**

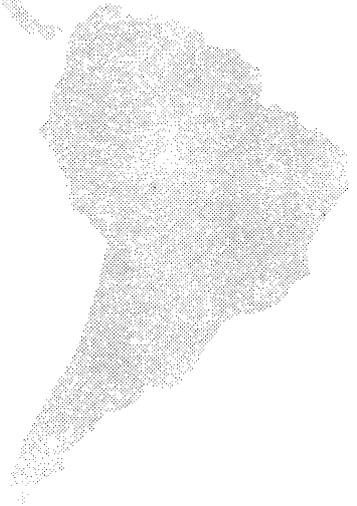
EASTERN UNITED STATES



**BURMA, MALAYA,
THAILAND, INDO-CHINA**



JAPAN



Source: Maps, with exception of Western Hemisphere, from New World Horizons, by Chester H. Lawrence.

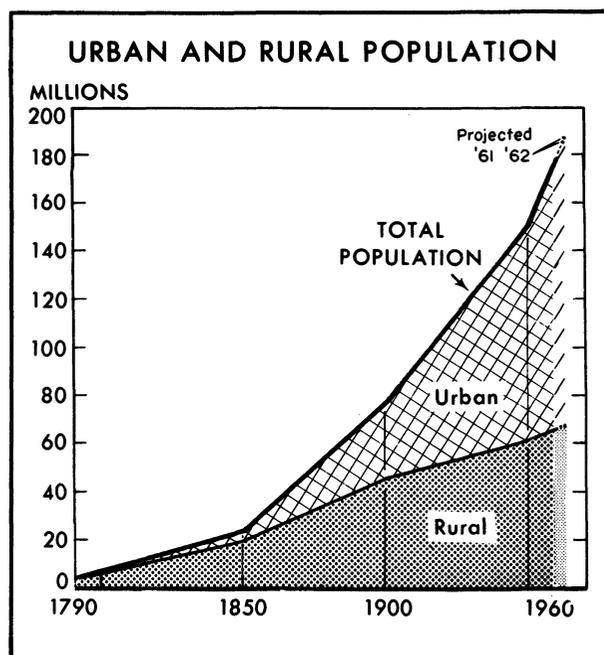
Population

The population of the United States is increasing fairly fast, as the number of marriages and births continue to rise and the span of life lengthens. There are estimated to be nearly eight times as many Americans today as there were in 1850. As the density map shows (p. 5), the population is not evenly spread across the country; the continual moving about seems generally to be effecting a more equitable distribution of population in comparison with resources. People also continue to move from country to city.

Total Population

The number of people in the United States has risen much faster since World War II than earlier estimates had indicated, with an increase of between 2.5 and 3 million each year since 1950. The United States population has in fact increased at a faster rate over the past 50 years, and is still increasing at a faster rate, than the world population. By January 1963, more than 187 million people were estimated to be in the United States, an average increase of about 1.8 percent a year from 1950. (See table 2.) Forecasts for the year 1980 range from 245 million to 259 million.

Population densities differ, of course, from State to State. For example, the 1960 census figures show Rhode Island with about 812 persons to the square mile, and New Jersey with 800 persons per



square mile. At the low end of the scale, Alaska had less than one—actually only one person to every 21½ square miles.

And, of course, the density of population in cities is considerably greater than for States. In 1960, the density of New York City was 25,000 per square mile (for Manhattan Borough within the city, it was 77,000). For Chicago in 1960, the density was 17,000 per square mile, and for Detroit, St. Louis, and Washington, D.C., 12,000 each.

The population density is highest, and the majority of the large cities and the greatest concentration of industry are found, in the northeastern part of the country, east of the Mississippi River and north of the Ohio and the Potomac Rivers. The center of population of the conterminous¹ United States is now in southern Illinois; but the geographic center is about 575 miles (925 kilometers) farther west, in north central Kansas. When the new States of Alaska and Hawaii are taken into account, the geographic center is pulled more than 400 miles north and west, into western South Dakota; the center of population, however, is affected but little.

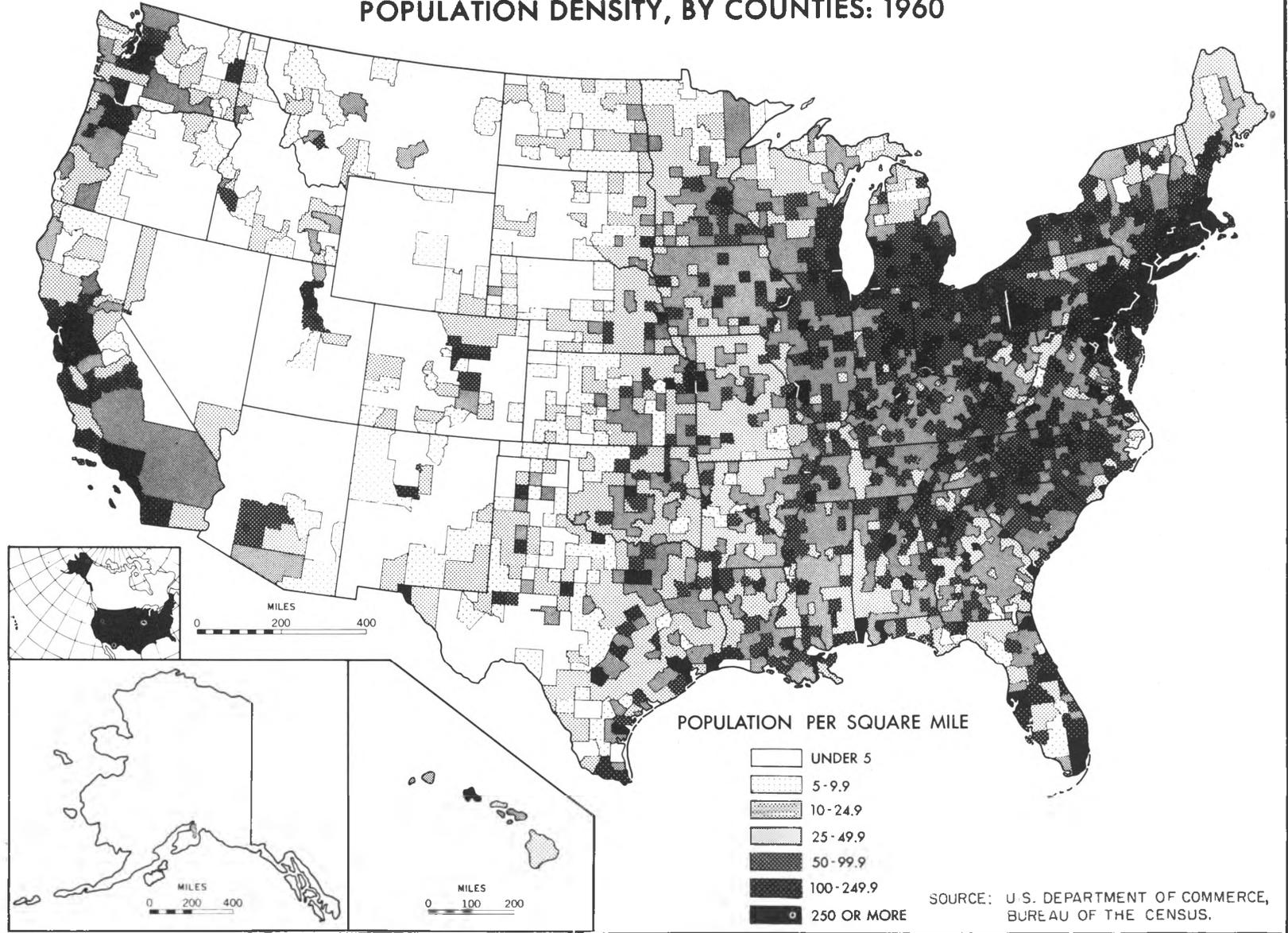
TABLE 2. POPULATION, SELECTED YEARS, 1790-1962

Year	Number (millions)	Average percent increase per year over preceding decennial census
1790.....	4	.....
1810.....	7	3.6
1830.....	13	3.3
1850.....	23	3.6
1870.....	40	2.7
1890.....	63	2.6
1900.....	76	2.1
1910.....	92	2.1
1930.....	123	1.6
1950.....	151	1.4
1960.....	179	1.8
1961.....	185	.....
1962.....	187	.....
1963.....	188	.....

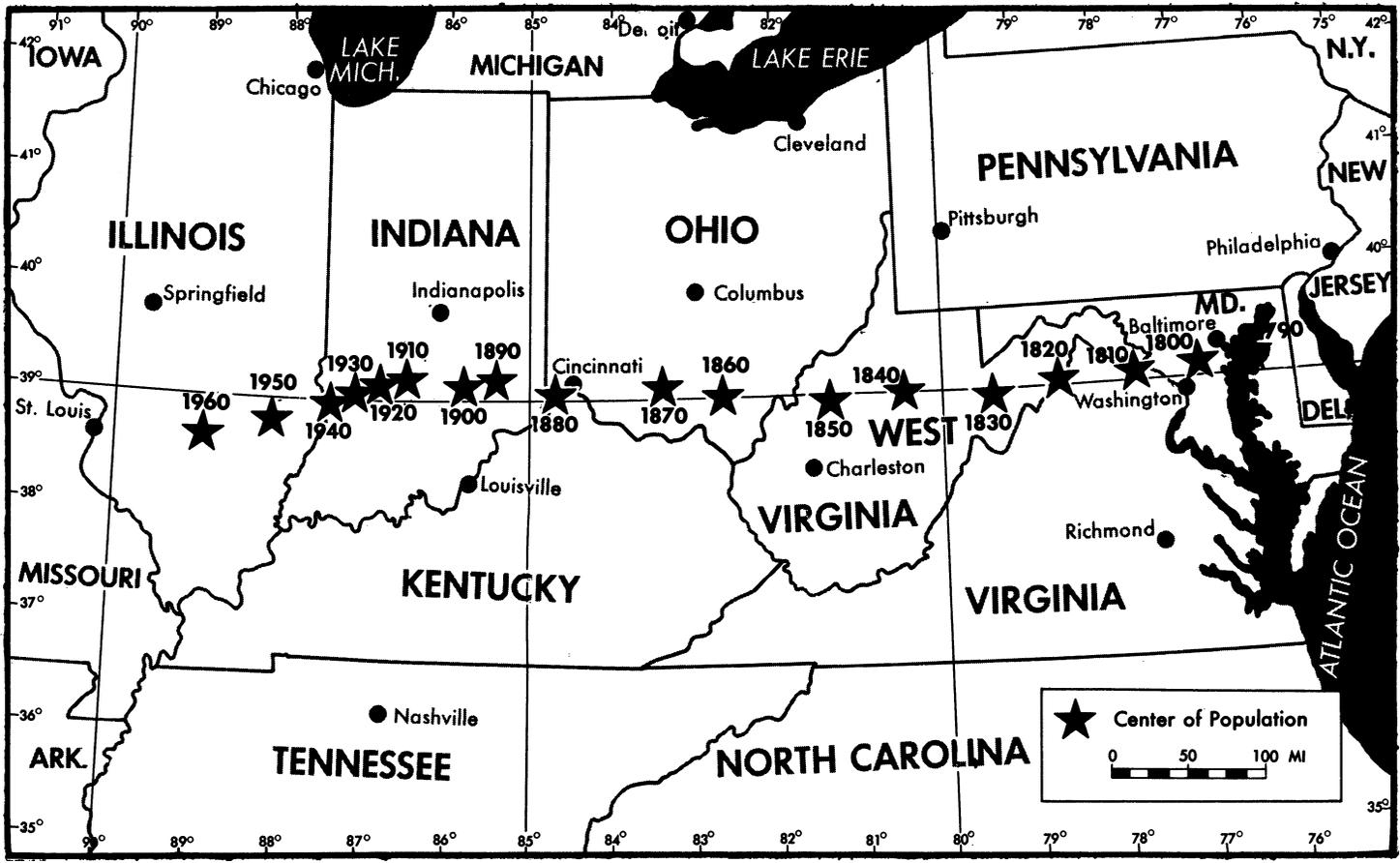
SOURCES: 1961, 1962, and 1963 data are estimates as of January 1 of each year. The remainder are from decennial censuses. For data from the decennial censuses for intervening years, see U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1962*, p. 5.

¹ Refers to the 48 States and the District of Columbia.

POPULATION DENSITY, BY COUNTIES: 1960



CENTER OF POPULATION FOR CONTERMINOUS UNITED STATES 1790-1960



Density, 1960	Population	
	Per square mile of land area	Per square kilometer of land area
United States (50-State area).....	50.5	19.5
State of highest density: Rhode Island.....	812.4	313.7
State of lowest density:		
Alaska.....	.4	.2
Nevada.....	2.6	1.0
United States (48-State area).....	60.1	23.2
France (1958, for comparison).....	214.0	82.6

Urban and Rural Population

In 1790, the United States was 95 percent rural; by 1960, it was 70 percent urban. In 1960, about 28 percent of the people lived in cities of 100,000 or more population, and another 35 percent in smaller cities. Some lived in thickly settled areas close to cities, some in scattered towns or villages too small to be called urban. But about 44 million persons, about 25 percent of the population, still lived in the country outside any town or village. (See table 3.)

TABLE 3. URBAN AND RURAL POPULATION, SELECTED YEARS, 1790-1960

Year	Number (thousands)			Percent		
	Total	Urban	Rural	Total	Urban	Rural
1790.....	3,980	202	3,728	100.0	5.1	94.9
1850.....	23,192	3,544	19,648	100.0	15.3	84.7
1900.....	75,995	30,160	45,835	100.0	39.7	60.3
1950.....	150,697	88,927	61,770	100.0	59.0	41.0
1960.....	179,323	113,056	66,267	100.0	63.0	37.0

SOURCE: U.S. Department of Commerce, Bureau of the Census, U.S. Summary PC (1). 1960.

Mobility of the Population

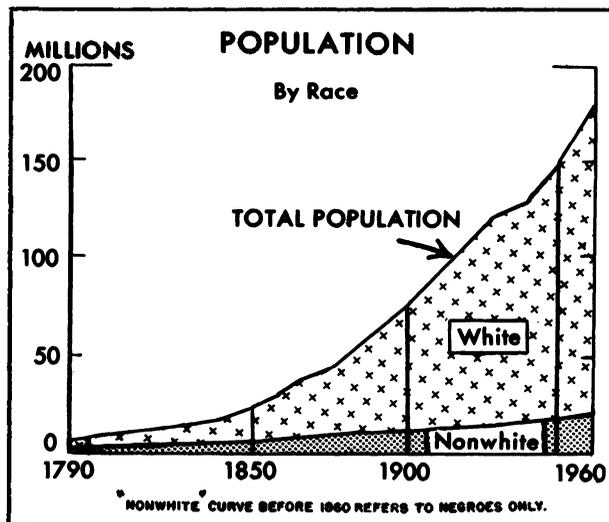
Every year many people in the United States, especially young people, move from one place to another. Between March 1960 and March 1961, approximately 35.5 million people, about a fifth of the whole population, moved from one house or apartment to another.

Over 5.5 million of them (about 3 percent of the population) moved from one State to another.

TABLE 4. MOBILITY: PERCENT OF WHITE OR NONWHITE POPULATION MIGRATING BETWEEN STATES, SELECTED PERIODS, 1935-60

	Whites	Nonwhites
1935-40.....	5.5	3.9
1940-47.....	9.7	14.1
1955-60.....	9.2	6.1

SOURCE: U.S. Department of Commerce, Bureau of the Census.

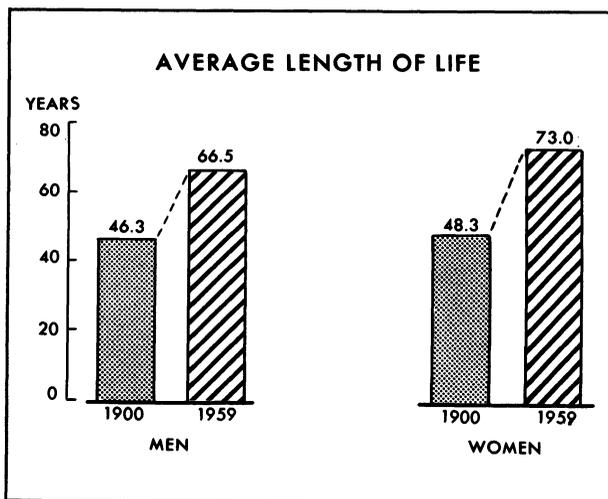


The longer moves have recently been somewhat more frequent among whites. Between 1940 and 1947, however, as shown in table 4, great numbers of nonwhites moved to a different State.

Population by Race

During the last century, the white population, nine-tenths of the total, has increased relatively faster than has the Negro population. In recent years, however, Negroes have gained slightly faster, and by 1960, they constituted nearly 11 percent of the total. (For more information, see chapter on Negroes in the Economy of the United States, pp. 51-54.)

Nonwhites other than Negroes are few. The American Indian has increased in number in re-

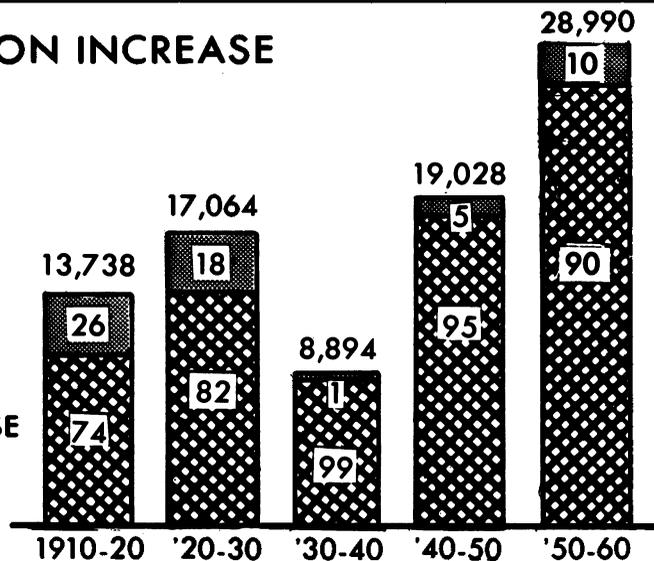


AMOUNT OF POPULATION INCREASE

(In Thousands)

PERCENT FROM NET IMMIGRATION

PERCENT FROM NATURAL INCREASE



SOURCE: U. S. DEPARTMENT OF COMMERCE, BUREAU OF THE CENSUS.

cent years, reaching 524,000 in 1960. It has been estimated, however, that when the first white settlers came, there were as many as 845,000 Indians living in what is now the United States. The population of the United States in 1960 consisted of the following:

	Number (thousands)	Percent
Total population.....	179, 323	100. 0
White.....	158, 832	88. 6
Negro.....	18, 872	10. 5
American Indian.....	524	. 3
Other (chiefly Chinese or Japanese)....	1, 095	. 6

Sources of Population Increase

The large growth in population since the Second World War is attributed in part to some rise over the preceding 20 years in immigration and to low death rates (less than 10 per 1,000 population), but most of the growth is due to the rise of the live birth rate to about 25 per 1,000 population. The amount of increase in each decade, together with the percent due to immigration and that due to natural increase (excess of births over deaths), is shown in the chart above.

Labor Force

Number in the Labor Force

About 75 million persons were in the labor force in 1962, and by 1975, this average may rise another 18 million. The labor force includes the unemployed as well as the employed; it includes employers, the self-employed, and military personnel, as well as wage and salary workers. Unpaid family workers are counted in the labor force if they work 15 or more hours a week at the family farm or business.

There is great short-run flexibility in the labor force. For example, some 8 million "extra" people went to work during World War II; and every year, millions of persons enter and leave the labor force, with the seasons and school vacations. Housewives, retired persons, and students sometimes want only part-time work, and they tend to shift from job to job and to enter or leave the labor market often. Several million workers are always on the move, seeking better jobs in plants or areas of greater opportunity.

Labor Force Participation

Nearly all American men are in the labor force throughout a large part of their lives. Women and youths work also, but intermittently, so that at any time only a minority are in the labor force.

The working life of men increased some 10 years between 1900 and 1955, while their total life span rose about 20 years. Men enter the labor force at a later age than formerly, they remain longer, and they live more years after retirement.

In 1900, most men did not retire at all. The population was largely rural, and even today the older farmer does not necessarily retire. In 1960, two-thirds of the men still in the labor force at age 65 or older were in agriculture, service work, or trade.

Many women work before marriage. They tend to drop out of the labor market during their twenties, but many re-enter in their late thirties, as children grow older and home responsibilities diminish. Less than half of the women of any age hold full-time permanent jobs; many work part-time or intermittently.

Unemployment Rate

Some unemployment is unavoidable in a free and growing industrial economy in a free society. A hundred years ago, when the United States was primarily an agricultural country, unemployment, in present day terms, scarcely existed. As industry grew in importance, the level of living rose, but an ever greater proportion of the work force was exposed to the risk of unemployment. Some industries grow rapidly, others slowly; some communities, as well as industries, decline economically. Thus unemployment develops, but after a time unemployed workers normally are absorbed elsewhere. (See table 5.)

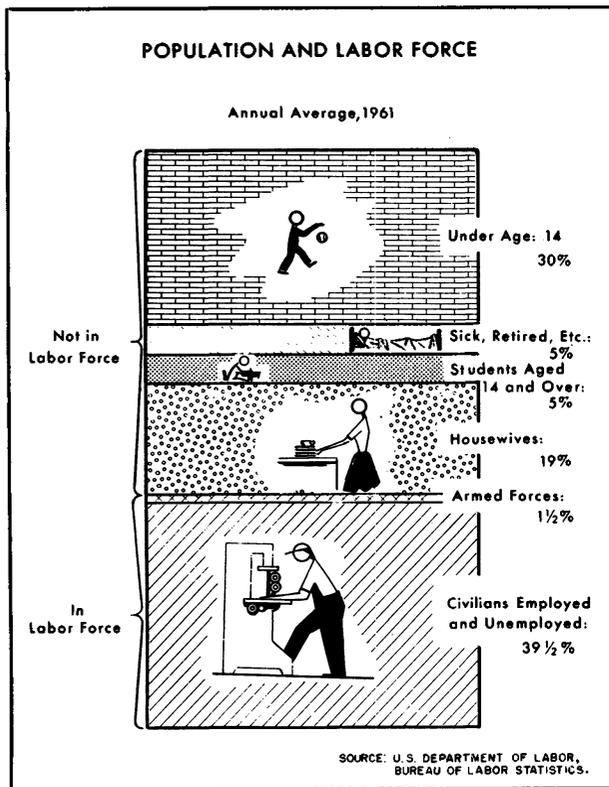
The worker temporarily between jobs, even though he may have left his job voluntarily, and also the youth seeking his first job, are counted as unemployed. Thus some "frictional" unemployment always exists. During the depression of the 1930's, however, as many as 25 percent of the labor force were unemployed; in 1958, the year of sharpest recession since then, the unemployed averaged slightly less than 7 percent of the civilian labor force. (The purchasing power of many unemployed workers is partially maintained by unemployment insurance, and some help is frequently available where needed from government sources. See p. 35 for further information.)

TABLE 5. ESTIMATED UNEMPLOYMENT, SELECTED YEARS, 1900-62¹

Year	Average number (millions)	Percent of civilian labor force	Year	Average number (millions)	Percent of civilian labor force
1900	1.4	5.0	1950	3.4	5.3
1905	1.0	3.1	1951	2.1	3.3
1910	2.2	5.9	1952	1.9	3.1
1915	3.8	9.7	1953	1.9	2.9
1920	1.7	4.0	1954	3.6	5.6
1925	1.8	4.0	1955	2.9	4.4
1930	4.3	8.9	1956	2.8	4.2
1933	12.8	24.9	1957	2.9	4.3
1935	10.6	20.1	1958	4.7	6.8
1940	8.1	14.6	1959	3.8	5.5
1944	.7	1.2	1960	3.9	5.6
1945	1.0	1.9	1961	4.8	6.7
1947	2.4	3.9	1962	4.0	5.6
1949	3.7	5.9			

¹ The "unemployed" are persons who were without work, and were actively seeking work, during the given week. Unemployment is customarily stated as a percent of the labor force—that is, of all persons working or seeking work during the week of the monthly labor force survey. (The 1947-62 figures are based on revised definitions and are not entirely comparable with estimates for previous years.)

SOURCE: U.S. Department of Commerce, Bureau of the Census; U.S. Department of Labor, Bureau of Labor Statistics; and before 1940, private estimates published by U.S. Department of Commerce, Census Bureau, in *Historical Statistics of the United States, Colonial Times to 1957*, p. 73.



Duration of Unemployment

The seriousness of unemployment is indicated not only by numbers unemployed but also by the length of time people are out of work. In 1940, two-thirds of the unemployed were out of work 4 months or more. During World War II, such unemployment as existed was largely frictional; a great majority of the unemployed had been seeking work for only a month or less. About 43 percent of the persons unemployed in January 1963 had been unemployed for less than 5 weeks; about 25 percent had been out of work for 15 weeks or more. During the years 1959 through 1962, the annual average period of unemployment has varied between 3 and 4 months.

* The standard workweek may differ from the average. The standard is now 40 hours in much of industry (p. 39 for note on the law), but the hours worked during a week average longer when much overtime is worked, and shorter when part-time work, labor turnover, or absenteeism is common. According to one estimate, the standard hours in manufacturing industries averaged 56.8 per week in 1909 and 50.4 in 1924. Paul H. Douglas, *Real Wages in the United States, 1890-1926* (Boston, Houghton Mifflin Co., 1930), p. 116. Yet the average hours worked (or paid for) are estimated to have been 51 and 43.7 in those years.

Hours of Work

In the last hundred years or so, hours of work have been greatly reduced. From about 70 hours weekly in 1850, the average workweek had dropped to 41 hours by 1961. Outside of agriculture, the drop was from 66 hours—the equivalent of 11 hours a day, 6 days a week—to 40.1 hours—about 8 hours a day, 5 days a week.²

The farm workweek, which lengthens in summer and shortens in winter, averaged some 44.8 hours a week in 1961. As in nonagricultural work, the reduction over the years has been sharp. (Self-employed farmers are included in the estimates.)

	Average hours per week, 1961
All industries.....	40.5
Nonagricultural	40.1
Agricultural	44.8

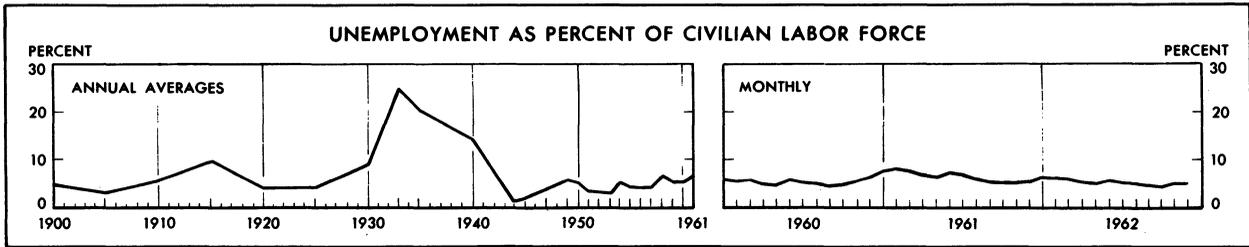
At the beginning of the century, the prevailing workweek in manufacturing was 60 hours (10 hours per day for 6 days). Some industries, notably steel, had a longer working week (66 hours in 1913), and premium pay for overtime was exceptional. Thus, in 1900, a manufacturing employee who was steadily employed worked about 3,000 hours in a year. By 1962, such an employee enjoyed a paid vacation, and actually worked only about 2,000 hours a year. With greatly increased output per man-hour, so much more is produced in an hour's working time that workers have gained more purchasing power at the same time that they have achieved greater leisure.

TABLE 6. EMPLOYEES IN NONAGRICULTURAL ESTABLISHMENTS, BY INDUSTRY DIVISION, SELECTED YEARS
[Thousands]

	1920	1930	1940	1950	1960	June 1963
Total.....	27,350	29,424	32,376	45,222	54,370	57,609
Mining.....	1,239	1,009	925	901	712	650
Contract construction.....	848	1,372	1,294	2,333	2,885	3,232
Manufacturing.....	10,658	9,562	10,985	15,241	16,796	17,111
Transportation and public utilities.....	3,998	3,685	3,038	4,034	4,004	3,954
Wholesale and retail trade.....	4,467	5,797	6,750	9,386	11,391	11,848
Finance, insurance, and real estate.....	1,175	1,475	1,502	1,919	2,669	2,885
Service and miscellaneous.....	2,362	3,376	3,681	5,382	7,392	8,423
Government.....	2,603	3,148	4,202	6,026	8,520	9,506

NOTE: Excludes proprietors, self-employed persons, unpaid family workers, domestic servants, and personnel of Armed Forces. "Employees" include both wage and salaried workers.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.



Industry Distribution of the Nonagricultural Working Force

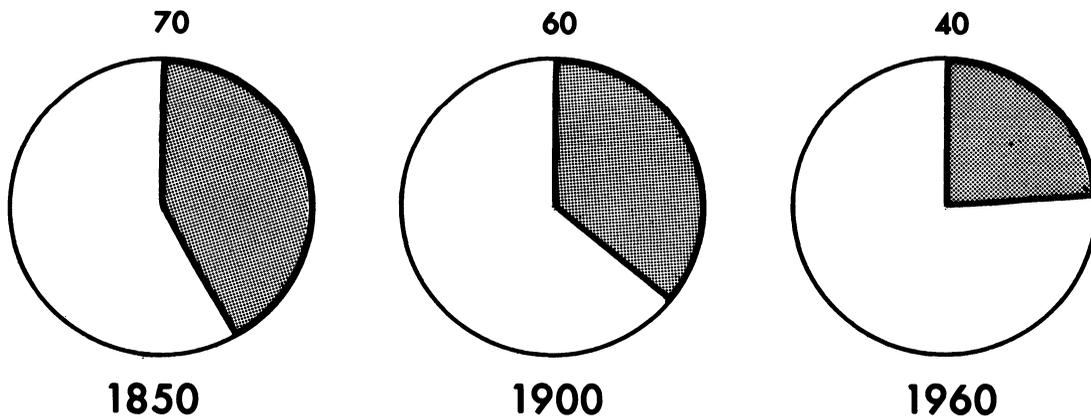
Employment has continually shifted away from agriculture into manufacturing, and even more into trade, the professions, government, and other services. In 1870, about three-fourths of the gainfully occupied persons were producing food and clothing, housing, and other manufactured goods; by 1960, less than half were so occupied. Although the population increased nearly 4.5 times over, and the working force 5 times during this period, in 1960, the immensely greater agricultural production required 5.7 million farm workers, fewer than in 1870 or in 1900. Manufacturing and construction meanwhile employed 7 times as many persons in 1960 as in 1870. Trade and serv-

ices of various kinds employed 12 times as many. The number in the working force in 1870 and in 1960 by selected industry groups, and the percent of increase over this period are shown in the following tabulation:

Industry group	Number (thousands)		Percent increase, 1870-1960
	1870	1960	
Total work force.....	12,925	64,639	400
Extractive industries.....	6,687	5,004	-25
Manufacturing and construction.....	2,999	21,329	611
Trade and service.....	3,085	35,698	1,058
Not specified.....	154	2,608	1,594

SOURCE: Harold Barger, *Distribution's Place in the American Economy Since 1869* (Princeton, N.J., Princeton University Press, 1955). (National Bureau of Economic Research General Series No. 58, p. 4.) Census data for 1870-1950 have been rearranged by Mr. Barger to make them as nearly comparable as possible from one date to another. Similarly, census data for 1960 were rearranged by the Census Bureau and are believed to be comparable to Mr. Barger's series for 1870-1950. Accordingly, totals do not correspond with figures given elsewhere in this study.

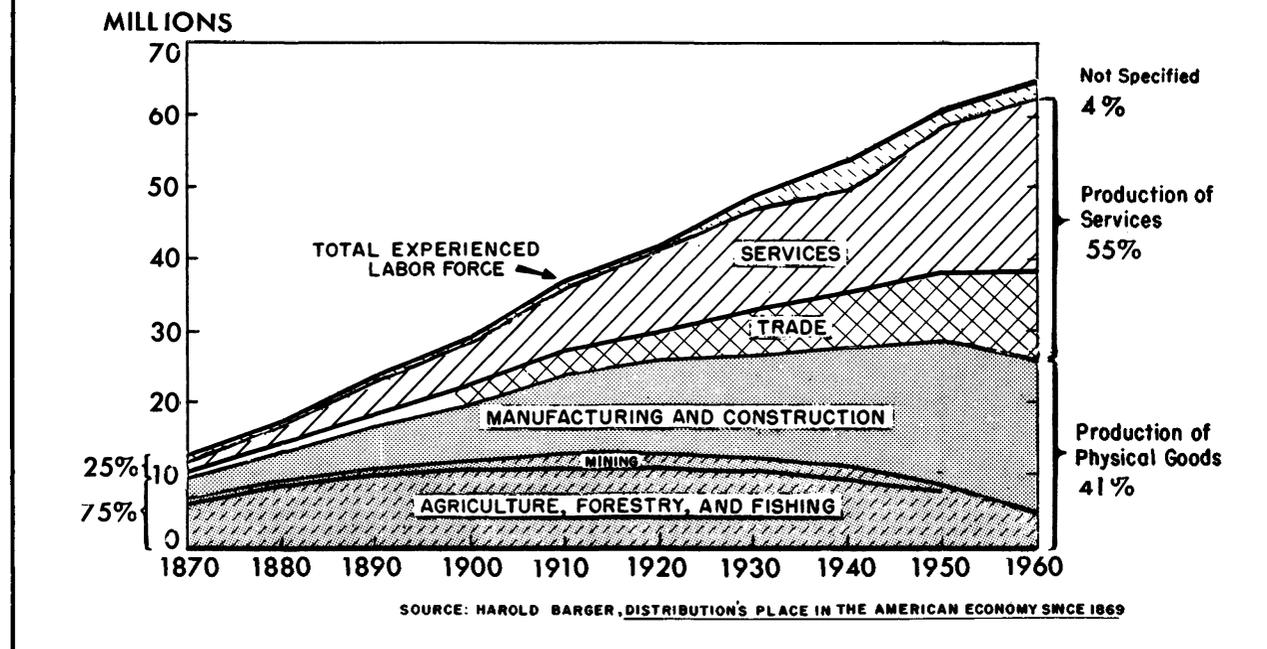
STANDARD HOURS OF WORK PER WEEK



The circle represents a week, 168 hours.

WORKING FORCE OF THE UNITED STATES

1870-1960



The same general trend in growth of employment by industry is shown in greater detail in table 6. These data are based on payroll reports from individual establishments. (Persons who worked in more than one establishment during the reporting period are counted each time their names occur on payrolls. In May 1962, approximately 2.5 million persons in nonagricultural employment were

known to have held two (or more) jobs at the same time.)

Occupational Skills

The trend in occupational skills (table 7) reflects the continuing advancement in science, together with technological and economic change. Many

TABLE 7. DISTRIBUTION OF EMPLOYED CIVILIAN WORKERS, BY SELECTED OCCUPATIONAL GROUPS, 1940, 1950, AND 1960
[Number in thousands]

Employed civilian workers	1940		1950		1960	
	Number	Percent	Number	Percent	Number	Percent
Total employed persons.....	45,070	100.0	56,435	100.0	64,639	100.0
White-collar workers.....	14,676	32.9	20,819	37.4	26,588	43.3
Professional, technical, and kindred workers.....	3,579	8.0	4,921	8.8	7,232	11.8
Managers, officials, and proprietors, except farms.....	3,633	8.1	5,036	9.0	5,409	8.8
Clerical and kindred workers.....	4,382	9.8	6,954	12.5	9,306	15.1
Sales workers.....	3,081	6.9	3,907	7.0	4,639	7.5
Manual workers.....	16,394	36.7	22,437	40.3	23,746	38.6
Craftsmen, foremen, and kindred workers.....	5,171	11.6	7,820	14.0	8,741	14.2
Operatives and kindred workers.....	8,080	18.1	11,180	20.1	11,897	19.4
Laborers, except farm and mine.....	3,143	7.0	3,436	6.2	3,107	5.1
Service workers, including private households.....	5,291	11.9	5,708	10.2	7,171	11.7
Agricultural workers.....	8,290	18.5	6,728	12.1	3,950	6.4
Occupations not reported.....	418		743		3,184	

Source: U.S. Department of Labor, Bureau of Labor Statistics, *Monthly Labor Review*, November 1962, p. 1211.

of the rapidly growing occupations are those requiring more education and training. The occupations in which employment is decreasing are generally those in which wages are low.

Between 1950 and 1960, the number of workers holding white-collar jobs rose to 43 percent of total employed civilian workers. As noted elsewhere, all classes of agricultural workers recorded sizable losses.

Among the highly trained professional, technical, and kindred group, notable increases were recorded in the number of electrical, mechanical, and civil engineers. Reflecting economic growth and greater demand for more and quickly avail-

able information, mechanized office procedure required many more employees in such occupations as office machine operators, secretaries and stenographers, and cashiers. All kinds of sales workers from retail trade to manufactures' sales representatives, to sales personnel for insurance companies and real estate were needed to keep pace with expanding national product. Employment of many more elementary and high school teachers reflected the rising birth rate of the recent postwar period. Service workers showed sizable numerical increases. In part, because of technological changes, dwindling occupations included farm laborers, and other unskilled laborers.

Income

Average money earnings of workers have risen sharply in recent years. More important, since earnings have risen faster than prices, an increase in real earnings has resulted. All workers have benefited, though not to the same degree.

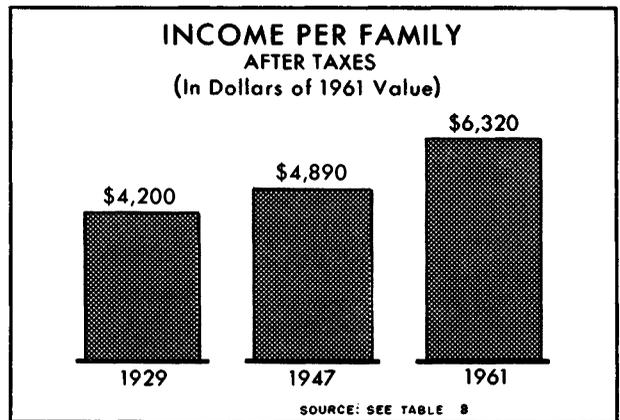
Income studies seeking to show the trend of incomes of the entire population indicate that the number of low-income families and individuals, although still substantial, is now relatively less than 20 years ago. (For farm income, see p. 29.)

Changes in Income Distribution

Average real income per person in the population was about 61 percent higher in 1961 than in 1929 (in terms of constant dollars of 1961 value). Average per capita disposable income in 1961 dollars was as follows:

1929	\$1,228
1947	1,546
1961	1,979

As indicated in table 8, average family incomes before and after Federal income taxes have risen



greatly since 1929 (in terms of dollars of constant purchasing power).

The number of families and individuals with real incomes over \$4,000 increased from 25 million in 1947 to more than 39 million in 1961, after adjustment of the income figures for difference in the value of the dollar. The number in the two lower income groups declined. A large propor-

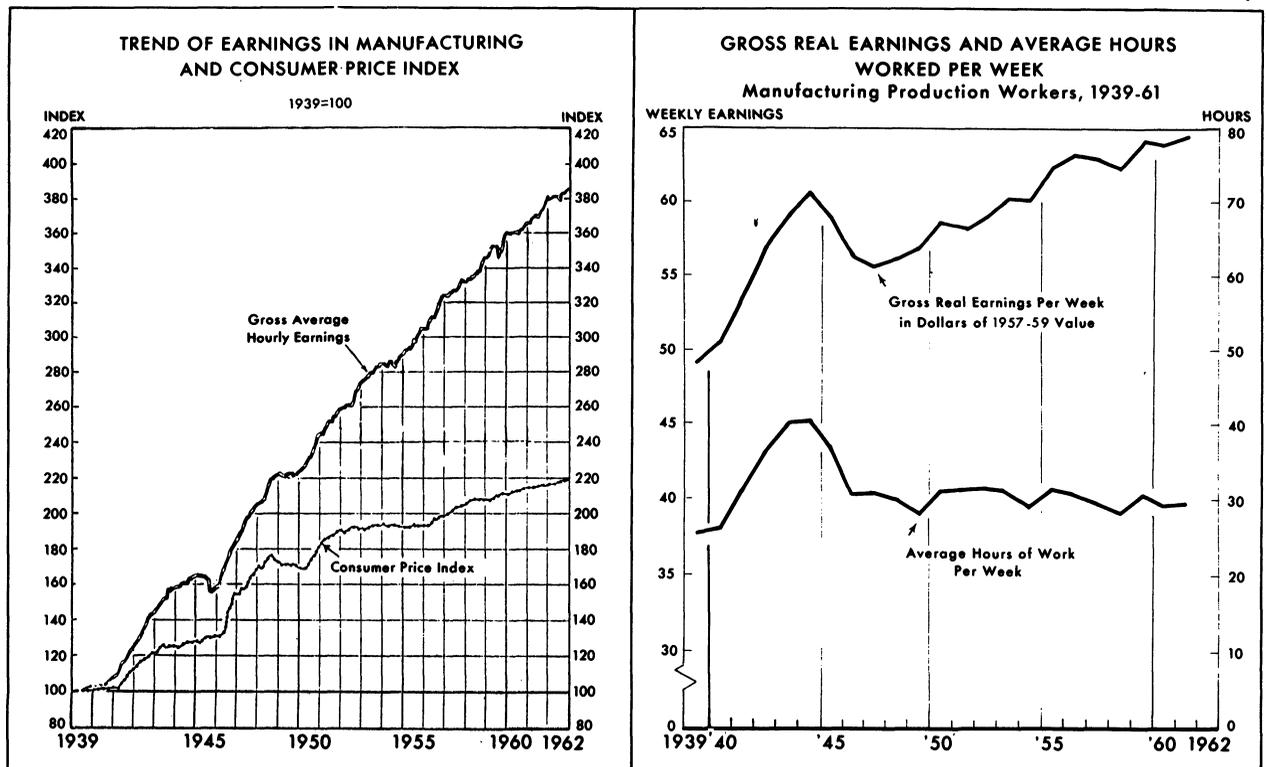


TABLE 8. AVERAGE PERSONAL INCOME PER FAMILY AND UNATTACHED INDIVIDUAL, BEFORE AND AFTER FEDERAL INDIVIDUAL INCOME TAX, SELECTED YEARS, 1929-61

[In 1961 dollars]

Year	Before tax	After tax	Income tax
1929.....	\$4, 230	\$4, 200	\$30
1947.....	5, 430	4, 890	540
1961.....	7, 020	6, 320	700

SOURCE: U.S. Department of Commerce, Office of Business Economics, *Survey of Current Business*, April 1962, p. 9.

tion of the low-income units were single wage earners, retired persons, students, and young wage earners just starting work.

Upper income groups have received relatively less of the national income since World War II than before. The reasons appear to be, first, a greater relative rise in wage and salary incomes than in other kinds of income, and second, a tendency for total wages and salaries to move upwards.

The proportions of disposable income received by the top 5 percent and by the lower 95 percent of income receivers have been estimated as shown in table 9. Comparable data since 1952 are not available but the current relationship is believed to be substantially unchanged.

Sources of Income of Persons Age 65 or Over

In 1961, over 17 million Americans were age 65 and over. Nearly one-fourth of this group were either still at work or were the nonworking wives of wage or salary earners. About 75 percent of those over 65 were receiving some income from social insurance (table 10) or from veterans'

TABLE 9. PERCENT OF TOTAL DISPOSABLE INCOME RE-UNATTACHED INDIVIDUAL, BEFORE AND AFTER FEDERAL YEARS, 1914-52

Year	Top 5 percent	Remaining 95 percent	Year	Top 5 percent	Remaining 95 percent
1914.....	32	68	1947.....	17	83
1920.....	24	76	1950.....	16	84
1929.....	35	65	1952.....	16	84
1939.....	27	73			

NOTE: Disposable income is income after deduction of personal tax and nontax payments to general government.

SOURCE: Warren J. Bilkey, "Equality of Income Distribution and Consumption Expenditures," *Review of Economics and Statistics*, February 1956, p. 81. Harvard University Press, Cambridge, Mass.

programs, whereas in 1950, only 30 percent received such income.

In 1961, about 14 percent received public assistance on proof of need and provided they met residence requirements.

About 87 percent of the aged in the population received some or all of their support through public programs at Federal, State, or local levels. Only 1 in 20 had income from employment and had no income from any public program.

Gross, Net, and Real Weekly Earnings of Factory Workers

As shown in table 11, the gross average weekly earnings of manufacturing production workers nearly doubled during World War II; they declined as hours were reduced toward the close of the war, and then resumed their rise. However, Federal income and social security taxes, which before the war took only a negligible share of the

TABLE 10. ESTIMATED PERCENT OF PERSONS AGE 65 AND OVER¹ WITH MONEY INCOME FROM EMPLOYMENT OR PUBLIC PROGRAMS, JUNE 1961

Type of money income	Percent of total
Total population age 65 and over.....	100.0
Employment, total ²	23.9
Employment and no income from public programs.....	5.3
Employment and social insurance benefits.....	15.2
Employment and payments under other public programs.....	3.4
Social insurance (retirement and survivor) benefits, total ³	72.6
Benefits and no earnings or veterans' or public assistance payments.....	46.4
Benefits and veterans' payments.....	6.4
Benefits and public assistance.....	4.6
Veterans' pension or compensation, total.....	11.0
Veterans' payment and no earnings or social insurance ⁴	1.8
Public assistance, total ⁵	14.0
Public assistance and no earnings or payments under other public programs.....	8.8
Income from sources other than employment or public programs.....	8.1

¹ In the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands.

² Includes 3,200,000 earners and an estimated 900,000 nonworking wives of earners.

³ Includes persons with income from one or more of the following sources: old-age, survivors, and disability insurance; railroad retirement; and government employee retirement. Excludes persons with benefits under unemployment or temporary disability insurance or workmen's compensation programs.

⁴ Includes estimated number of beneficiaries' wives not in direct receipt of benefits.

⁵ Includes a small number receiving supplementary public assistance.
⁶ Old-age assistance recipients and persons age 65 and over receiving aid to the blind or to the permanently and totally disabled, including a relatively small number receiving no direct cash payment under either old-age assistance or medical assistance for the aged, but who received publicly financed medical care.

NOTE: Since many received income from more than one of the sources, the sum of the subtotal percent is more than 100.

SOURCE: U.S. Department of Health, Education, and Welfare, Social Security Administration, "Sources and Size of Money Income of the Aged," *Social Security Bulletin*, January 1962, p. 12.

TABLE 11. TREND OF AVERAGE WEEKLY EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING INDUSTRIES, 1939-62

Year	Gross average weekly earnings	Net spendable weekly earnings (gross earnings minus social security and Federal income taxes)		"Real" net spendable weekly earnings (net spendable earnings in dollars of 1957-59 purchasing power)	
		Worker without dependents	Worker with 3 dependents	Worker without dependents	Worker with 3 dependents
1939.....	\$23.64	\$23.37	\$23.40	\$48.29	\$48.35
1940.....	24.96	24.46	24.71	50.12	50.64
1941.....	29.48	27.96	29.19	54.50	56.90
1942.....	36.68	31.80	36.31	55.99	63.93
1943.....	43.07	35.95	41.33	59.62	68.54
1944.....	45.70	37.99	43.76	61.97	71.39
1945.....	44.20	36.82	42.59	58.72	67.93
1946.....	43.32	37.31	42.79	54.87	62.93
1947.....	49.17	42.10	47.58	54.11	61.16
1948.....	53.12	46.57	52.31	55.57	62.42
1949.....	53.88	47.21	52.95	56.88	63.80
1950.....	58.32	50.26	56.36	59.98	67.26
1951.....	63.34	52.97	60.18	58.53	66.50
1952.....	67.16	55.04	62.98	59.50	68.09
1953.....	70.47	57.59	65.60	61.79	70.39
1954.....	70.49	58.45	65.65	62.45	70.14
1955.....	75.70	62.51	69.79	67.00	74.80
1956.....	78.78	64.92	72.25	68.55	76.29
1957.....	81.59	66.93	74.31	68.30	75.83
1958.....	82.71	67.82	75.23	67.35	74.71
1959.....	88.26	71.89	79.40	70.83	78.23
1960.....	89.72	72.57	80.11	70.39	77.70
1961.....	92.34	74.60	82.18	71.59	78.87
1962.....	96.56	77.86	85.53	73.87	81.15
Percent rise, 1939-62.....	308	233	266	53	68

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

wage earner's pay, increased until by 1961 they amounted to \$17.74 a week for a single man who earned the average factory wage of \$92.34 and \$10.16 for a man of similar earnings with a wife and two children dependent on him.

The average earnings of \$96.56 a week, or \$2.41 an hour in 1962, represented a rise since 1939 of 308 percent in gross weekly earnings, and 309 percent in hourly earnings. In the same period, the cost of living rose 120 percent. (See chart, p. 14.) Thus, despite the rise in prices, and a small decline in real earnings in 1957 and 1958, the worker in manufacturing has obtained a considerable increase in real earnings in the last 23 years.

Although real net spendable earnings in terms of constant dollars rose more slowly than gross or net earnings, they went up in most years. By 1962, the average factory worker with three dependents could buy more goods and services for his family than he could afford to buy at the wartime peak, and by means of a working week that was more than 5 hours shorter. He could buy 63 percent more in 1962 than in 1939.

Consumption

With the increase in real earnings and in leisure hours, described in previous chapters, have come definite changes in the spending patterns of the American consumer. A far wider variety of products now compete for the consumer's dollar: Some products are old, some new, and some are improved in quality and performance. Services, too, have broadened with the result that the consumer has a far wider choice in rationing his disposable income in terms of his needs and desires.

Food in 1960 accounted for nearly one-fourth of the current expenditures of the average wage-earner or clerical-worker family (33 percent in 1950; 40 percent in 1934-36). Excluding home purchase costs, housing and home maintenance, including such labor-saving equipment as automatic washers, electric refrigerators and the like, took almost 30 percent. Clothing accounted for 11 percent. Personal and medical care amounted to 8 percent. Public transportation and miscellaneous were 3 percent. The remainder, about 25 percent, was used for the following types of expenditures which in many other countries are not considered as important to a wage earner as in the United States: Automobile purchase and operation (15 percent); entertainment, television and radio; reading and recreational activities; and tobacco and alcoholic beverages.

Food Consumption

U.S. residents consumed an average of 3,300 calories of food per day in 1935-39, and 3,180 in 1961. A long-time trend away from starches (notably cereals and potatoes) and an increased use of meat and dairy products, except butter, is recorded. In 1961, carbohydrates supplied 47 percent of the calories consumed; fats, 41 percent; and protein, 12 percent. In 1939, the ratios were 53, 36, and 11, respectively. Meat (excluding fat pork cuts), poultry, and fish consumed in 1961 amounted to 182 pounds (82.6 kilos) per capita, while fat pork cuts came to an additional 17.4 pounds (7.9 kilos) per capita. Per capita consumption of potatoes in 1961 was 110 pounds (49.9 kilos) per year. Americans ate more tomatoes than any other fresh or processed vegetable

(excluding potatoes)—a little over 59 pounds or 26.8 kilos per capita in 1961. In terms of milk equivalent, the per capita consumption of dairy products, except butter, was about 238 quarts (224 liters).

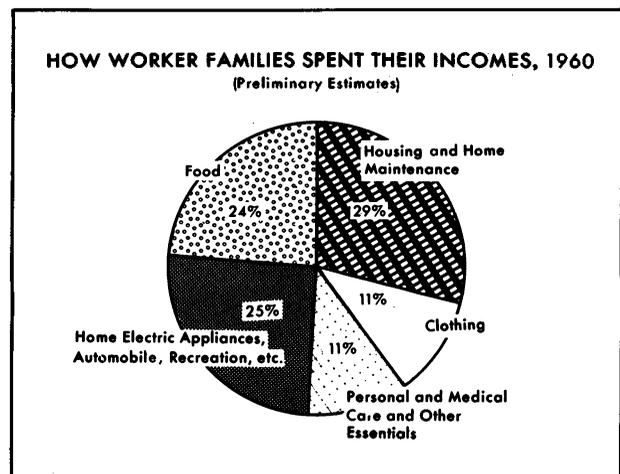
Americans now buy more services incorporated in their foods than in earlier years, services which reduce preparation time for the housewife such as fully processed or prepared meals, more pre-cooked hams, oranges in juice form (frozen), etc., and more meals in restaurants.

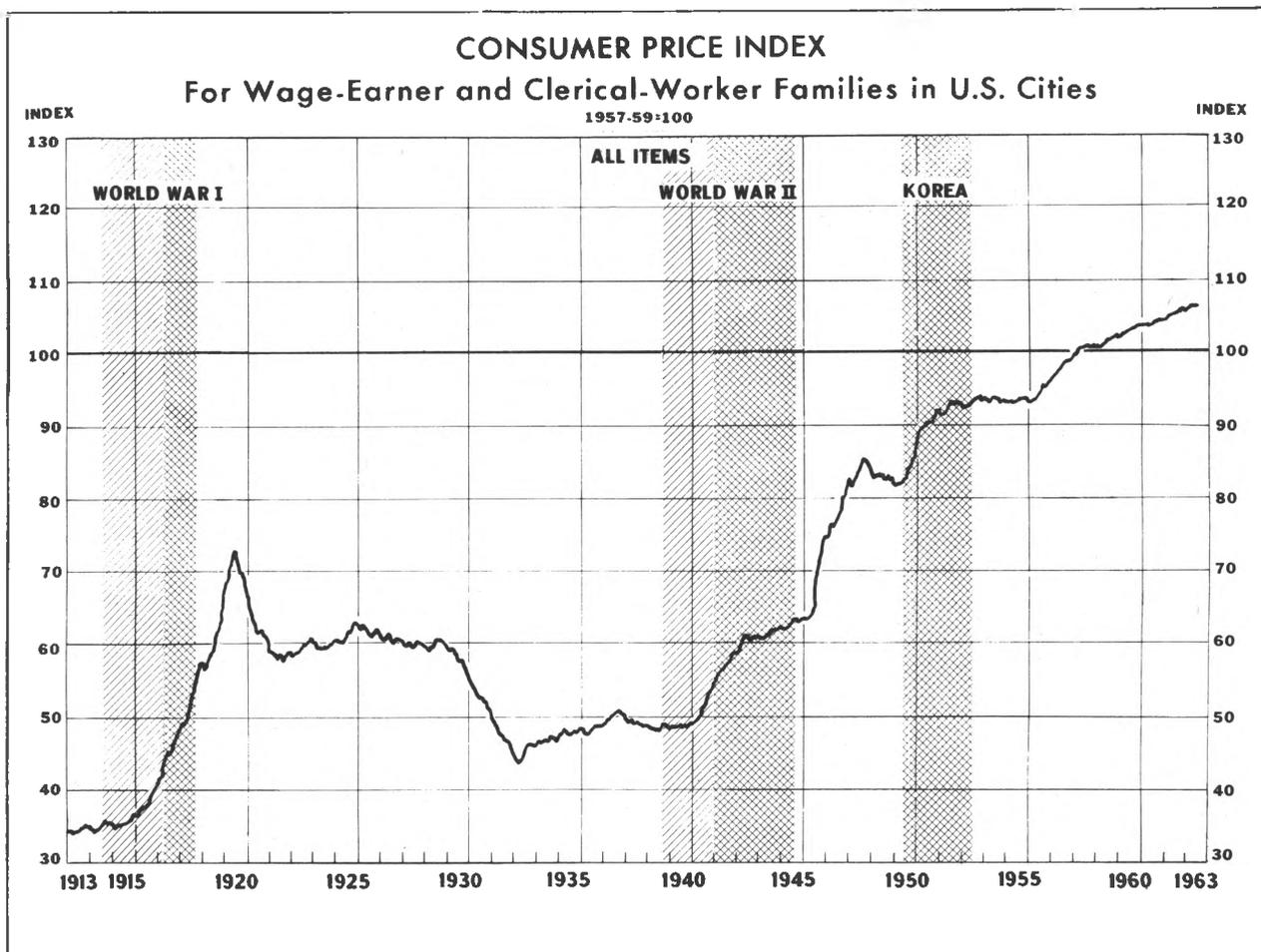
Housing

Two-thirds of all families lived in separate houses (detached) in 1960; 80 to 90 percent of the dwelling units built in recent years have been one-family units. Sixty-two percent of families lived in houses they owned or were buying on long-term credit. More than half of all houses built are more than 26 years old; 60 percent have five or more rooms (not counting halls, baths, etc.).

	1960	1950	1940	1930
All occupied dwelling units (thousands) ..	53,023	42,826	34,854	29,904
Total (percent).....	100	100	100	100
Owner occupied.....	62	55	44	48
Renter occupied.....	38	45	56	52
Nonfarm dwelling units:				
Average (median) monthly rental of renter-occupied units.....	\$71	\$42	\$27	\$27
Average (median) value of owner-occupied single unit dwelling.....	\$11,900	\$7,400	(¹)	\$4,778

¹ Not available.





One-half the renters paid less than 20 percent of their income as rent; one-half paid 20 percent or more.

Most urban houses have inside flush toilet and bath; many farm houses do not. This is shown in these 1960 figures. Nearly all urban houses have electric lighting.

	Total		Flush toilet inside		Bath inside	
	Number (thousands)	Per-cent	Number (thousands)	Per-cent	Number (thousands)	Per-cent
Total.....	61,892	-----	54,564	-----	53,640	-----
Urban.....	40,764	100.0	39,990	98.1	39,257	96.3
Rural						
nonfarm.....	17,562	100.0	12,350	70.3	12,139	69.1
Farm.....	3,566	100.0	2,224	62.4	2,244	62.4

According to a 20-percent sample, 14,550,000 housing units were constructed during the period January 1950 to March 1960; 85 percent of these were single-family structures. Many are in outlying areas around the large metropolitan centers.

Recently, housing construction has swung more heavily to building of multiple-family structures.

The trend in rooms per family has been toward a larger number of rooms despite the fact that the average number of persons per family has decreased somewhat. This includes husband-wife households (including children, if any) with no relatives living in the household. It excludes other kinds of households, such as one-person and those with relatives.

	Percent distribution of dwelling units	
	1950	1960
Total.....	100	100
1 or 2 rooms.....	7	2
3 or 4 rooms.....	38	30
5 or 6 rooms.....	41	52
7 rooms or more.....	12	15
Not reported.....	1	-----

Source: U.S. Department of Commerce, Bureau of the Census.

Automobiles

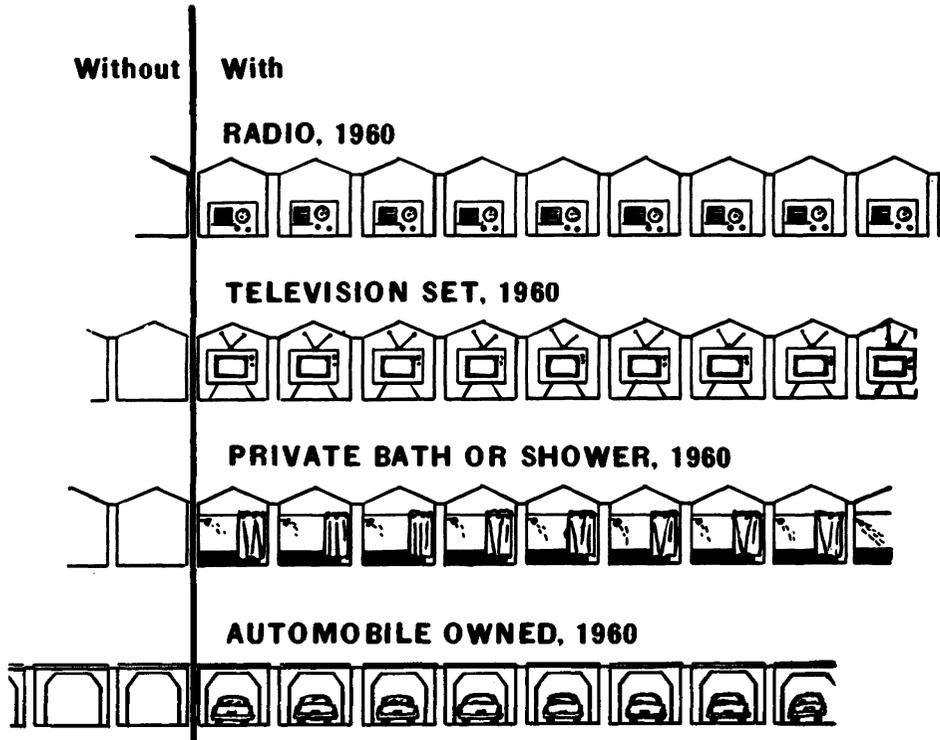
Most American families, including families of wage and salaried workers, own automobiles. Middle-income families and lower income families more often buy used rather than new cars. In 1960, slightly more than one-half of the cars sold were bought with the help of installment credit.

	Automobile ownership		
	Households	Per- cent	Per- cent
Total.....	53, 023, 000	100	100
Owned automobile.....	41, 605, 000	78	55
Did not own automobile.....	11, 417, 000	22	45

Worktime Required to Buy Food and Other Articles

The average production worker in manufacturing in September 1962 earned \$2.40 an hour, including overtime pay. At this rate, with average prices as they were at that time, he worked 15 minutes to earn enough to buy ½ kilo of ground beef, 21 minutes for ½ kilo of butter, and corresponding lengths of time for other articles as shown later. An average month's rent for a dwelling unit could be earned in 3¼ working days. Prices of automobiles and equipment vary widely throughout the United States; roughly, however,

HOUSEHOLD EQUIPMENT AND AUTOMOBILES IN AMERICAN HOMES

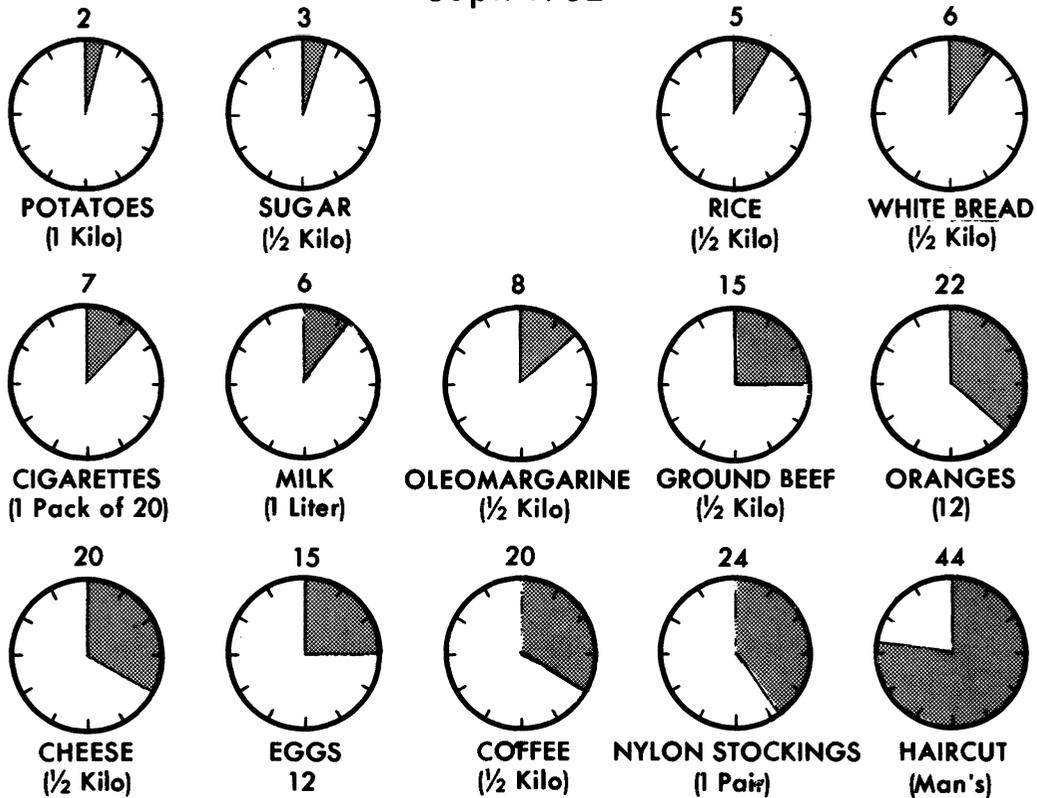


Each symbol represents 10 percent of dwelling units
(in the case of automobiles, 10 percent of families)

SOURCE OF DATA: U. S. DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS; BOARD OF GOVERNORS
OF THE FEDERAL RESERVE SYSTEM.

MINUTES OF FACTORY WORKER'S TIME REQUIRED TO BUY CERTAIN ITEMS,

Sept. 1962



a good used car could be bought for about 11 weeks' work, and a new car of one of the popular makes for about 29 weeks' work. (See table 12.)

Consumer Credit

In contrast with many foreign countries where capital is not so plentiful, consumer credit is readily available in the United States, providing, of course, the purchaser is considered a reasonable credit risk.

Normally, a home constitutes the largest single expenditure a family makes in its lifetime and few families have the financial means to purchase a house outright. Governmental measures to encourage long-term mortgage lending, together

with the related shift from the single payment to the monthly amortized mortgage, have made homeownership possible for millions of families. Flexible financing terms enabled the purchaser to gear the monthly payments to his budget.

Intermediate and short-term credit are likewise available to purchase consumer durable goods where the useful life and original cost are less than for houses but which still represent sizable purchases in relation to the purchaser's monthly income and/or savings.

Financial arrangements of various kinds were utilized by about 6 out of 10 persons who bought cars in 1961, and by nearly half the buyers of furniture and household appliances.

TABLE 12. ESTIMATED WORKTIME REQUIRED TO BUY FOOD AND OTHER ARTICLES, SEPTEMBER 1962

Article	Units used in United States			Metric units		
	Quantity	Average retail price	Work-time required (in minutes)	Quantity	Average retail price	Work-time required (in minutes)
White flour.....	1 pound..	\$0.114	3	½ kilo...	\$0.125	3
White wheat bread.....	do.....	.212	5	do.....	.233	6
Rice, short grain.....	do.....	.193	5	do.....	.212	5
Beef:						
Round steak (best grade).....	do.....	1.126	28	do.....	1.239	31
Chuck roast (best grade).....	do.....	.666	17	do.....	.733	18
Hamburger (ground beef).....	do.....	.539	13	do.....	.593	15
Pork:						
Chops, center cut.....	do.....	.997	25	do.....	1.097	27
Bacon (sliced, best grade).....	do.....	.758	19	do.....	.834	21
Ham (whole, smoked).....	do.....	.639	16	do.....	.703	18
Fish:						
Frozen fillet of haddock.....	do.....	.552	14	do.....	.607	15
Canned salmon, pink.....	do.....	.759	19	do.....	.835	21
Chicken (ready to cook).....	do.....	.418	10	do.....	.460	12
Butter, 92 score.....	do.....	.748	19	do.....	.823	21
Oleomargarine, colored.....	do.....	.279	7	do.....	.307	8
Lard.....	do.....	.202	5	do.....	.222	6
Cheese (American Cheddar).....	do.....	.722	18	do.....	.794	20
Fresh milk, at grocery store.....	1 quart.....	.245	6	1 liter.....	.260	6
Eggs (large, grade A).....	1 dozen.....	.589	15	1 dozen.....	.589	15
Oranges (size, approximately 5 pounds per dozen).....	do.....	.871	22	do.....	.871	22
Potatoes.....	1 pound.....	.062	2	½ kilo.....	.068	2
Cabbage.....	do.....	.084	2	do.....	.092	2
Dried beans.....	do.....	.173	4	do.....	.190	5
Dried prunes (large).....	do.....	.401	10	do.....	.441	11
Canned tomatoes.....	do.....	.155	4	do.....	.170	4
Sugar.....	do.....	.118	3	do.....	.130	3
Coffee, can.....	do.....	.714	18	do.....	.785	20
Tea bags.....	package of 16.....	.245	6	package of 16.....	.245	6
Tea l.....	1 pound.....	1.768	44	½ kilo.....	1.945	49

Article	Average retail price	Worktime required	
		Hours	Minutes
Bath towel, 25 x 48 inches (64 x 122 cm.).....	\$1.86	0	46
Electric light bulb, 60 watt.....	.25	0	6
Paper napkins, box or package of 80.....	.14	0	4
Dishes, 53-piece set, semivitreous earthenware.....	28.39	11	50
Covered sauce pan, aluminum, 2-quart (1.9 liters).....	2.30	0	58
Laundry service: 20-pound bundle (9.1 kilos), finished.....	8.34	3	28
Dry cleaning: Man's 2-piece suit, delivered.....	1.66	0	42
Domestic service: General housework, 8-hour day.....	8.87	3	42
Gas, 25 therms.....	4.01	1	40
Electricity, 200 kilowatt hours.....	6.37	2	39
Man's 2-piece suit, new wool, hard-finished worsted medium grade.....	48.05	20	1
Man's work dungarees, blue denim.....	2.37	1	59
Man's business shirt, broadcloth.....	4.48	1	52
Man's socks, argyle knit, cotton.....	.80	0	20
Boy's sport shirt, long sleeves, cotton flannel or woven gingham.....	2.38	1	0
Women's 2-piece suit, new wool.....	60.16	25	4
Woman's slip, nylon tricot, plain.....	3.98	1	40
Nylon stockings, 1 pair.....	.98	0	24
Man's work shoes, high, composition sole.....	9.27	3	52
Man's street shoes, oxford, calf uppers, leather sole.....	15.58	6	30
Child's shoes, oxford, good year welt construction.....	6.46	2	42
Printed cotton percale cloth, 36 inches wide, 1 yard.....	.51	0	13
Automobile tires, size 6.70 x 15.....	24.48	10	12
Gasoline, premium, gallon (3.785 liters).....	.36	0	9
Bus fare, one.....	.22	0	6
Pencillin prescription, 12 tablets.....	2.04	0	51
Hospital, semiprivate room, per day.....	23.95	9	59
Physician, house visit.....	8.20	3	25
Dentist, extraction.....	6.80	2	50
Dentist, filling.....	5.73	2	23
Eyeglasses, with examination.....	28.93	12	3
Face powder, fine texture, per ounce.....	.64	0	16
Toothpaste, per ounce.....	.17	0	4
Man's haircut.....	1.76	0	44
Permanent wave.....	11.91	4	58

See footnotes at end of table.

TABLE 12. ESTIMATED WORKTIME REQUIRED TO BUY FOOD AND OTHER ARTICLES, SEPTEMBER 1962—Continued

Article	Average retail price	Worktime required	
		Hours	Minutes
Electric sewing machine, portable.....	98.70	41	8
Refrigerator, 10 to 12.2 cubic feet (283 to 345 cubic decimeters) capacity, with top freezer.....	198.76	82	49
Toaster, electric, automatic.....	15.45	6	26
Television set, 19-inch portable.....	164.81	68	40
Radio, 4 tubes, table model.....	18.29	7	37
Motion picture admission, adult.....	1.00	0	25
Cigarettes, pack of 20.....	.27	0	7
Cigarettes, carton (200 cigarettes).....	2.41	1	0
Beer, per 6 12-ounce cans or bottles.....	1.28	0	32
Spirits blended whiskey, ½ gallon.....	4.38	1	50
New 8-cylinder 4-door sedan automobile with automatic transmission—Chevrolet, Ford, or Plymouth.....		28¼ to 31 weeks.	
New 6-cylinder 4-door sedan compact automobile with hand-shift transmission—Chevrolet, Ford, Plymouth, or Rambler ²		23¼ to 25¼ weeks.	
4-year-old used Chevrolet or Ford (1958 model).....		10¼ to 11½ weeks.	

¹ Average retail prices for tea have been estimated from prices for package of 16 tea bags.

² Chevy II, Falcon, Valiant, and Rambler, respectively.

NOTE: The prices shown for food are weighted averages of prices in 46 cities of 2,500 or more population in all parts of the United States. Other prices given are averages for a varying number of large cities (5-10).

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

In 1961, 27 million households, about one-half of the total, had some form of nonmortgage installment debt. The largest proportion of such debt was in households where annual income was in the \$5,000 to \$10,000 range. In the last few years, there has been a tendency for the incidence of debt to rise somewhat in higher income levels, and decline in lower income levels. Nonmortgage debt was most frequent among households headed by persons 25 to 34 years of age, and this group also had the highest average debt. Long-term installment debt in the form of mortgages on homes is also common. Studies made in 1960 show that there are mortgage loans on about three-fifths of the nonfarm owner-occupied homes in the United States.

The estimated amount of consumer debt at the end of 1962 was about \$225 billion, of which \$161 billion was mortgage debt on real estate. Excluding mortgage debt, which is more than offset by real estate assets, the balance of \$63 billion debt was about one-sixth the Nation's \$383 billion disposable income. Short- and intermediate-term installment credit amounted to \$43 billion and non-installment consumer debt \$15 billion, comprising single-payment loans, charge accounts, and service credit (monthly billings for items such as electricity, water, heat). Excluded from these figures is \$14 billion of debt, the purpose for which it was borrowed is unknown and which could have been used either for consumption and/or business purposes; these were loans against life insurance policies and loans made by banks against securities.

Output

Output in the United States has risen almost continuously. A 1957-58 decline in output was followed by a rise of nearly 8 percent from the first 9 months of 1958 to the corresponding period of 1959, and a continued rise during 1960, 1961, and 1962. (See table 13. Data are in constant dollars of 1954 purchasing power.) A large part of the increase has been in those activities that meet the needs of the rising population and increased its level of living.

Disposition of the National Output

About two-thirds of the total of U.S. goods and services (the gross national product, or GNP) in 1962 were for consumers. Almost one-tenth went for national defense costs. About one-seventh went into private domestic investment (of which nearly one-third was for new nonfarm dwelling units).

	Amount (billions)	Percent
Total gross national product (GNP), 1962.....	554.9	100.0
Consumer goods and services.....	355.4	64.1
National defense.....	53.3	9.6
Gross private domestic investment.....	78.8	14.2
New nonfarm residential construction.....	23.2	4.2
Other private domestic investment.....	55.6	10.0
Other (largely State and local government purchases)....	67.4	12.1

SOURCE: U.S. Department of Commerce, Office of Business Economics, *Survey of Current Business*, July 1963, p. 12.

Productivity

The basic key to the continuing rise in the level of living in the United States has been the long term rise in productivity, i.e., increased output per man-hour. A rapidly growing labor force is working a reduced number of hours, aided by advancing technical change.

Output per man-hour showed greater increase in agriculture than in nonagricultural industries between 1947 and 1961 (1957-59=100):

	Total	Agriculture	Nonagriculture
1947.....	70.9	50.2	76.3
1948.....	73.4	59.6	77.9
1949.....	75.5	56.8	80.8
1950.....	80.9	64.7	85.1
1951.....	82.9	64.0	86.5
1952.....	84.7	69.9	87.6
1953.....	88.2	77.8	90.0
1954.....	89.7	83.4	91.4
1955.....	93.8	86.4	95.3
1956.....	93.9	88.3	94.9
1957.....	97.2	94.2	97.5
1958.....	99.6	103.0	99.4
1959.....	103.3	102.8	103.1
1960.....	105.3	109.3	104.8
1961.....	108.9	117.9	107.9

NOTE: For details as to concepts and methods of the above series, see U.S. Department of Labor, Bureau of Labor Statistics, *Trends in Output per Manhour in the Private Economy, 1909-1958* (BLS Bulletin 1249, 1960). These series were revised to a new base, 1957-59=100, in November 1962.

TABLE 13. GROSS NATIONAL PRODUCT OR EXPENDITURE IN CONSTANT DOLLARS, 1929-62
[Billions of dollars, 1954 prices]

Year	Total gross national product	Personal consumption expenditures	Gross private domestic investment	Net exports of goods and services	Government purchases of goods and services	Year	Total gross national product	Personal consumption expenditures	Gross private domestic investment	Net exports of goods and services	Government purchases of goods and services
1929.....	181.8	128.1	35.0	0.2	18.5	1946.....	282.5	192.3	42.4	3.8	43.9
1930.....	164.5	120.3	23.6	.2	20.5	1947.....	282.3	195.6	41.5	8.0	37.2
1931.....	153.0	116.6	15.0	-.3	21.6	1948.....	293.1	199.3	49.8	2.0	42.1
1932.....	130.1	106.0	3.9	-.3	20.5	1949.....	292.7	204.3	38.5	2.6	47.2
1933.....	126.6	103.5	4.0	-.8	19.9	1950.....	318.1	216.8	55.9	.2	45.1
1934.....	138.5	108.9	7.4	.6	22.8	1951.....	341.8	218.5	57.7	2.2	63.3
1935.....	152.9	115.8	16.1	-1.9	23.0	1952.....	353.5	224.2	50.4	1.2	77.7
1936.....	173.3	127.7	21.0	-2.2	26.9	1953.....	369.0	235.1	50.6	-.9	84.3
1937.....	183.5	132.1	27.0	-1.6	26.0	1954.....	363.1	238.0	48.9	1.0	75.3
1938.....	175.1	129.9	15.5	.8	28.8	1955.....	392.7	256.0	62.5	.9	73.2
1939.....	189.3	137.3	21.6	.3	30.1	1956.....	400.9	264.3	61.7	2.5	72.3
1940.....	205.8	144.6	29.0	1.1	31.1	1957.....	408.6	271.2	58.1	3.8	75.5
1941.....	238.1	154.3	36.7	-.6	47.7	1958.....	401.3	273.2	49.0	-.2	79.3
1942.....	266.9	180.8	18.8	-2.9	100.1	1959.....	428.6	288.9	61.7	-2.1	80.1
1943.....	286.7	184.6	10.7	-6.6	137.9	1960.....	439.9	298.1	60.2	1.7	79.9
1944.....	317.9	190.2	12.3	-6.7	152.2	1961.....	447.7	303.6	57.5	2.3	84.3
1945.....	314.0	171.4	17.0	-5.6	131.2	1962.....	474.8	317.6	65.2	1.8	90.2

NOTE: "Gross national product or expenditure" is the market value of the output of goods and services by the Nation's economy, before deduction of depreciation and other allowances for business and institutional consumption or durable capital goods.

"Personal consumption expenditures" consist of the market value of purchases of goods and services by individuals and nonprofit institutions and the value of commodities and services received by them as income in kind.

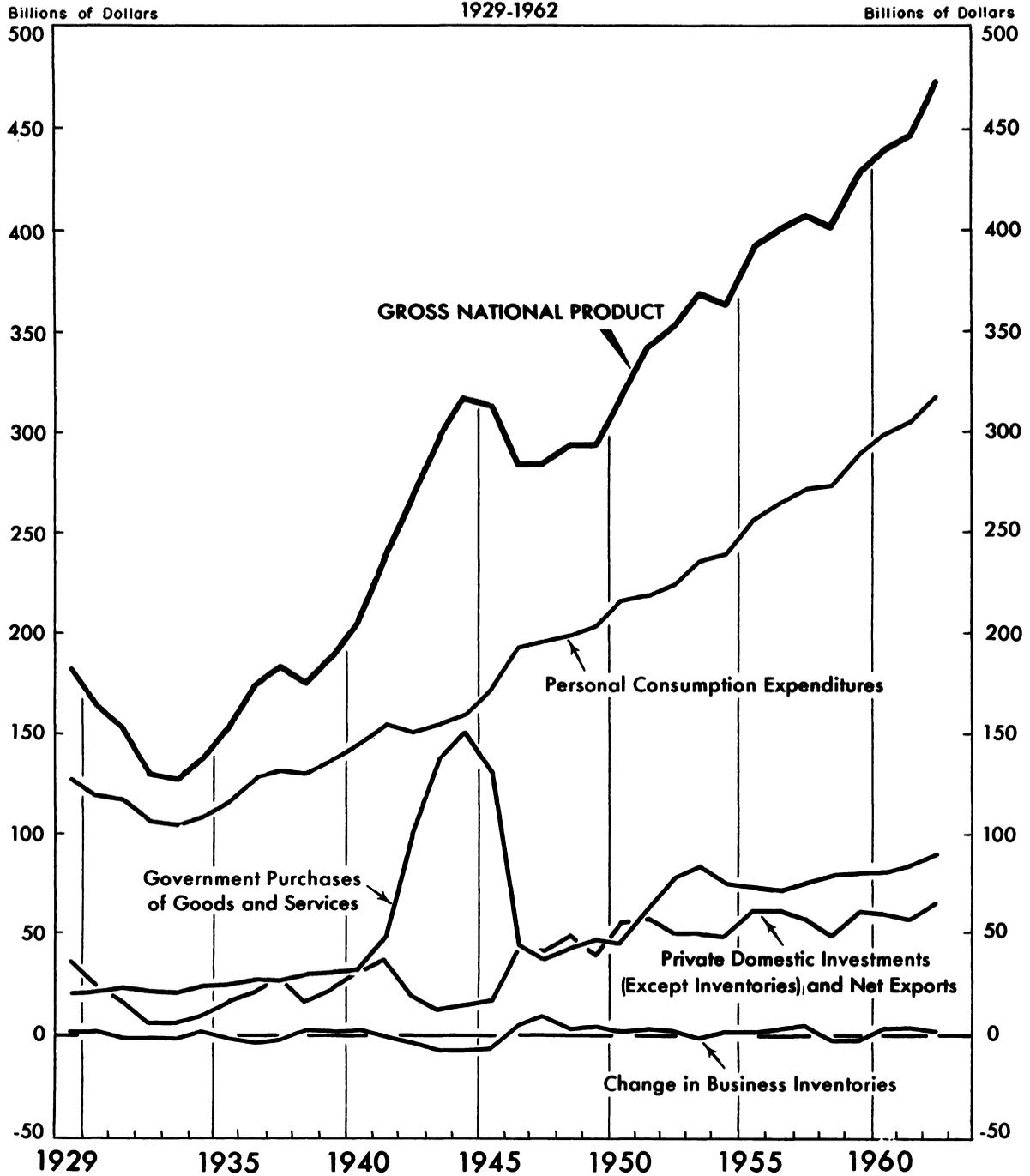
"Gross private domestic investment" consists of acquisitions of newly produced capital goods by private business and nonprofit institutions and

of the value of the change in the volume of inventories held by them. It covers all private new dwellings, including those acquired by owner-occupants.

"Net exports of goods and services" represents the difference between U.S. exports and U.S. imports of goods and services.

SOURCE: U.S. Department of Commerce, Office of Business Economics, *U.S. Income and Output, A Supplement to the Survey of Current Business*, 1958, pp. 118-119, and *Survey of Current Business*, July 1963, p. 14.

GROSS NATIONAL PRODUCT IN 1954 DOLLARS



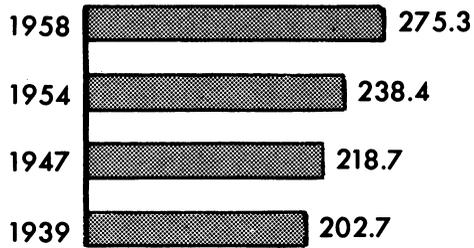
SOURCE: U.S. DEPARTMENT OF COMMERCE.

FUEL CONSUMED PER PRODUCTION WORKER Manufacturing and Mining

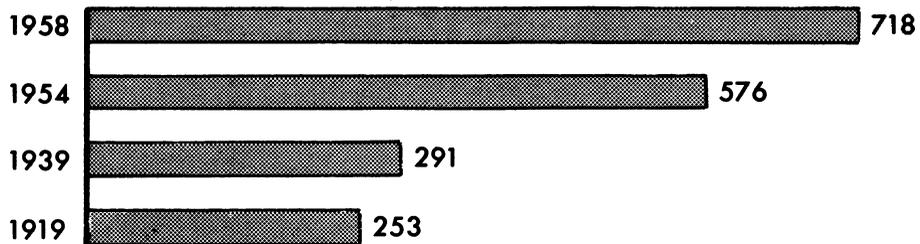
SPECIFIED YEARS

(Equivalent of Energy Consumed in Thousands of KWH^{1/})

MANUFACTURING:



MINING AND MINERALS^{2/}:

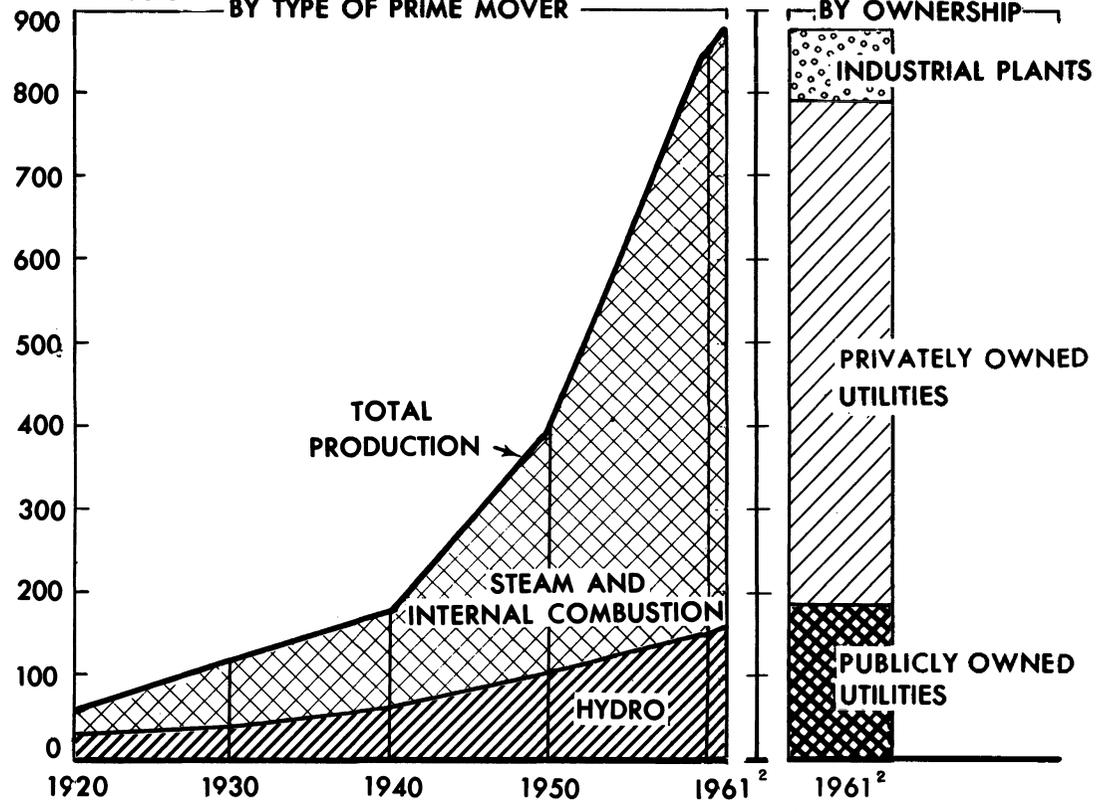


^{1/} INTERNATIONAL UNIT OF ENERGY
^{2/} INCLUDES OIL AND GAS

SOURCE: U.S. CENSUS, CENSUS OF MINERALS: RAW MATERIALS
IN U.S. ECONOMY 1900-61, WORKING PAPER NO. 6.

PRODUCTION OF ELECTRIC ENERGY¹

Billions of
Kilowatt-Hours



¹EXCLUDES ALASKA AND HAWAII.

²PRELIMINARY.

SOURCE: U. S. FEDERAL POWER COMMISSION.

Electric Energy

Output of electric energy has risen fast, often as much as 50 percent in 5 years. The 1961 annual output was about 16 times that of the early 1920's; and a 1970 output twice as high as 1961 is considered likely. Fuel, chiefly steam, supplies over four-fifths of the total. In the western part of the United States, however, waterpower is the greater supplier of electric energy.

Production of electric energy, by type of prime mover, selected years, 1920-61¹

	[Billions of kilowatt hours]		
	<i>Steam and internal combustion</i>	<i>Hydroelectric</i>	<i>Total utilities and industrial plants</i>
1920....	36, 248	20, 311	56, 559
1930....	79, 763	34, 874	114, 637
1940....	128, 248	51, 659	179, 907
1950....	287, 790	100, 884	388, 674
1960....	692, 494	149, 122	841, 616
1961 ² ...	723, 356	155, 174	878, 530

¹ Excludes Alaska and Hawaii.

² Preliminary.

Privately owned utilities supplied almost three-fourths of the electric energy for public use in 1961. This represented a relative decline from 1922, when more than 95 percent was produced by privately owned utilities, and a rise for publicly owned utilities from 4.5 to 24 percent of the total. Some industrial establishments produce their own power.

Transportation

Airlines surpass railroads as passenger carriers. However, all the common carriers together account for only 10 percent as many passenger miles as private automobiles are believed to do.

The railroads are the chief carriers of freight (44 percent of total in 1960). In recent years, truck competition has grown to the point where trucks now carry 22 percent of total freight. Oil pipelines account for 16 percent of total freight, the inland waterways also handle 16 percent, and the balance is airborne. (All figures apply to transportation between cities. They do not in-

TABLE 14. MILEAGE AND OPERATIONS OF TRANSPORTATION MEDIA, 1960

Item	Distance	
	Miles	Kilometers
Mileage of rail, air, and highway network:		
Railroads, miles of road owned, January 1961 ¹	217, 552	350, 325
Main scheduled airlines, route mileage, 1961 ¹	104, 719	168, 629
Inland waterways.....	28, 998	46, 658
Oil pipelines, estimated.....	151, 968	248, 313
Highways ¹	2, 165, 000	3, 486, 000
	Passenger-miles (millions)	Passenger-kilometers (millions)
Passenger operations:		
Total operated between cities of continental United States.....	755, 085	1, 215, 918
Common carriers, total.....	77, 496	124, 799
Railroads.....	21, 574	34, 741
Scheduled air carriers.....	33, 958	54, 683
Motor carriers (buses).....	19, 896	32, 039
Inland Waterways-Great Lakes.....	2, 068	3, 330
Private automobiles.....	677, 589	1, 091, 126
	Ton-miles	Ton-kilometers
Freight operations:		
Total operated between cities.....	1, 346, 650	2, 168, 518
Railroads.....	594, 853	957, 895
Airways.....	775	1, 253
Inland waterways.....	223, 000	359, 098
Oil pipelines.....	228, 626	368, 158
Highways (trucks).....	299, 393	482, 114

¹ Includes Alaska and Hawaii.

NOTE: One ton-mile or 1 passenger-mile represents 1 ton or 1 passenger carried a distance of 1 mile. A number of the figures, including those on automobiles, buses, and trucks, are estimates. Regarding network mileage: railroad mileage refers to main track railroad; route mileage of the main scheduled airlines is the weighted average of route miles operated within the continental United States in the first quarter of 1961; miles of inland waterways are miles authorized for improvement, and do not include the Great Lakes; highways represent the total rural surfaced roads.

SOURCE: U.S. Interstate Commerce Commission, Civil Aeronautics Administration, Army Board of Engineers, Bureau of Mines, and Bureau of Public Roads.

clude transportation within cities, or such daily trips as those between a suburban home and a job in a central city.)

The largest inland waterway traffic is still via the five Great Lakes which reach deep into the midwest along the United States-Canadian border. The second largest, and rapidly growing, inland waterway system is the Mississippi River system comprising the Mississippi, Illinois, Missouri, Ohio rivers, and other tributaries. (See table 14.)

Agriculture

Farms

In 1960, the average farmer harvested crops from about 80 acres (32 hectares) of cropland. The farmer operated more than the acres in crops; he operated pastureland also. Counting pasture, woodland, etc., the average farm consisted of about 287 acres (116 hectares), the country over. In the East, however, many farms are smaller than this, and in the western wheat and range country, many are larger.

	Total farmland (acres)	Cropland harvested (acres)	Total farmland (hectares)	Cropland harvested (hectares)
Per person in total U.S. population..	6	2	2	1
Per person living on farms.....	75	20	30	8
Per farm operator.....	287	80	116	32

SOURCE: U.S. Department of Agriculture, Economic Research Service.

The number of workers, including farm operators, per 1,000 acres (405 hectares) in farms in 1960 averaged about six for all types of farms. Although farmers continue moving off the farm, farm acreage has not decreased. Farms are fewer in each of the last three decennial censuses, but they are larger. However, there has been no increase in great corporation-owned farms. The number of hired farm workers has declined since 1920. Most farms are family owned and operated.

Farms by Value of Sales

About 800,000 U.S. farms, only 22 percent of the total, each sold as much as \$10,000 worth of farm products in 1959; but this group accounted for nearly 72 percent of all farm sales. Ninety-five percent of all sales were made by 56 percent of all farms. A large number of farms produced little for sale; many required only part of the farmer's time, or served only as a residence.

Persons Supported From Production by One Farm Worker ³

One farm worker supplies food, fiber, and tobacco for seven times as many people in the United States today as in 1820. This estimate is one type of measure of changes in agricultural efficiency. The number of persons supported by one farm worker has increased as follows:

	Number of persons		Number of persons
1820.....	4. 12	1955.....	19. 48
1840.....	3. 95	1956.....	21. 72
1860.....	4. 53	1957.....	22. 75
1880.....	5. 57	1958.....	23. 21
1900.....	6. 95	1959.....	24. 51
1920.....	8. 27	1960.....	25. 85
1940.....	10. 69	1961.....	27. 83
1945.....	14. 55	1962.....	28. 57
1950.....	15. 47		

SOURCE: U.S. Department of Agriculture, Economic Research Service.

Farm Employment

Most farm work, especially on grain, dairy, poultry, and livestock farms, is performed by the farm operator himself and his family, with the aid of machines. Hired farm workers are important seasonally, however, in all branches of agriculture and particularly in fruit, vegetable, tobacco, and cotton crops.

The average number of hired farm workers in the United States in 1962 was 1,817,000, but the number ranged from 811,000 in January to 2,651,000 in August. The peak seasonal demand is met in part by students and housewives who seek work only in the summer months. Seasonal help is obtained also from Mexico and the Caribbean area. In addition, many farm workers help to adjust the supply of labor to the shifting demand by migrating to the North and back to the South, as seasonal crops require care. (See table 15.)

Although farms have grown larger, in part through consolidations of two or more farms into one with a consequent reduction in number of farm operators, the average number of workers per farm has declined.

³ "Farm worker" includes the farm operator and any others working on the farm.

The series is essentially a ratio of consumers to farm workers in the United States. The ratio varies with agricultural production, exports, and imports; total population of the United States; and number of farm workers. The term "consumer support" has not meant the same thing at all times. In the early part of the 141-year period, farm workers performed many types of work that later came to be done by city workers. Furthermore, a greater quantity of agricultural products is probably supplied to a single consumer now than in early years when diets and clothing were simple and sometimes meager.

Income per Farm

Income per farm and income per farm resident rose sharply during World War II, even after allowing for changes in the purchasing power of

TABLE 15. NUMBER OF FARMS, ANNUAL AVERAGE FARM EMPLOYMENT, AND AVERAGE WORKERS PER FARM, 1910-62

Year	Farms (thousands)	Employment (thousands)			
		All workers	Operators and unpaid family workers	Hired workers	Average employment per farm all workers
1910.....	6,406	13,555	10,174	3,381	2.12
1920.....	6,518	13,432	10,041	3,391	2.06
1930.....	6,546	12,497	9,307	3,190	1.91
1940.....	6,350	10,979	8,300	2,679	1.73
1950.....	5,648	9,926	7,597	2,329	1.76
1957.....	4,372	7,577	5,682	1,895	1.73
1960.....	3,949	7,057	5,172	1,885	1.79
1961.....	3,811	6,919	5,029	1,890	1.82
1962.....	3,688	6,700	4,873	1,827	1.82

NOTE: Data differ from the agricultural employment estimates, as they were prepared by different methods.

The number of operators is equal, by definition, to the number of farms. An unpaid family worker is a member of the family who worked without pay 15 or more hours per week.

SOURCE: U.S. Department of Agriculture, Economic Research Service, *Farm Labor*, July 1963.

money. Although more recent years have seen some decline from the wartime peak, levels are still far above the prewar period. (See table 16.)

TABLE 16. FARM INCOME PER FARM AND PER FARM RESIDENT, 1929-62

Year	Purchasing power in dollars of 1957-59 value		Year	Purchasing power in dollars of 1957-59 value	
	Realized net farm income per farm	Personal income per farm resident, all sources		Realized net farm income per farm	Personal income per farm resident, all sources
1929.....	\$1,781	(¹)	1953.....	\$2,967	\$1,072
1933.....	1,079	(¹)	1955.....	2,622	1,021
1935.....	1,572	\$558	1956.....	2,777	1,034
1939.....	1,624	571	1957.....	2,545	1,077
1943.....	3,362	1,076	1958.....	2,985	1,197
1945.....	3,366	1,094	1959.....	2,726	1,133
1947.....	3,551	981	1960.....	2,932	1,241
1949.....	2,835	926	1961.....	3,294	1,331
1951.....	2,971	1,110	1962.....	3,497	1,394

¹ Information not available.

NOTE: Realized gross farm income is the income obtained from agricultural products sold during the year. Realized net income is realized gross income minus production expenses. Column A is the operator's average realized net income from farming, in constant dollars of 1957-59 value. Column B represents average personal income per farm resident from all sources, not only from farming.

SOURCE: U.S. Department of Agriculture, Economic Research Service, *The Farm Income Situation*, July 1963, p. 43.

Foreign Trade and Foreign Aid

Foreign Trade by Commodity

The composition of U.S. exports and imports has both changed with the course of economic development, and fluctuated from year to year. Until the 1870's, crude materials, mainly cotton, were the predominant exports, while finished manufactures led imports. Later, foodstuffs were exported in greater quantity, and crude materials became the leading import group. From the 1890's through the 1960's, exports of finished and semifinished manufactured goods, including foodstuffs, have consistently outdistanced imports in these fields. Leading value items in 1961 were, on the export side, industrial and electrical machinery, grain, chemicals, aircraft, and automobiles; leading imports were petroleum and fuel oil, non-ferrous metals, coffee, and machinery.

Foreign Trade by Continent

In most years before the Civil War, U.S. exports to Europe roughly balanced imports from that continent. Later, Europe remained the chief export market, but U.S. imports came more and more from other parts of the world. From 1901 to 1910, the United States exported an average of \$1,132 million worth of merchandise a year to Europe, receiving in return only \$594 million worth; trade with other parts of the world, principally the Western Hemisphere, averaged \$484 million of exports a year, \$564 million of imports. During World War I, U.S. imports from Canada and Latin America increased to a point where those two areas became the chief U.S. suppliers. For several years after World War II, these countries constituted also the largest U.S. export market, until the early 1950's when exports to Western Europe increased and surpassed those to Latin America.

In 1961, Canada was far above any other country both as an export market and as a source of imports to the United States. Japan, the United Kingdom, and West Germany followed in importance to U.S. foreign trade.

Extent of U.S. Dependence on Imported Raw Materials

Materials imported into the United States in crude and semimanufactured forms, which currently comprise about half of total imports, make a vitally important contribution to the supplies of industrial raw materials used in the country. Among individual commodities for which ratios of imports to the total new supply ranged from 80 to 100 percent in 1961 (excludes reused materials) were such raw materials as tin, nickel, manganese, chrome ore, industrial diamonds, carpet wool, and natural rubber. For a number of other important metals, and for newsprint, imports furnished from 50 to 80 percent of U.S. new supplies. Petroleum, the leading import in dollar value, accounted for 21 percent of U.S. new supply.

At the beginning of the 20th century, the United States was, with a few important exceptions, largely independent of foreign raw material supplies. In the aggregate, there was a net export surplus of domestic raw materials equal to 10 percent of domestic consumption. However, raw material consumption expanded until, by mid-century, domestic production fell short of consumption and there was a small net import balance in raw materials.

The raw material base, however, is supporting a more and more elaborate economic structure. Increased fabrication and reuse make a given amount of a raw material the base for many more end-use products and services today than 50 years ago. Gross national product amounted to nine times the aggregate of raw materials consumed in 1960, compared with four times this aggregate in 1900.

Private Investment Abroad

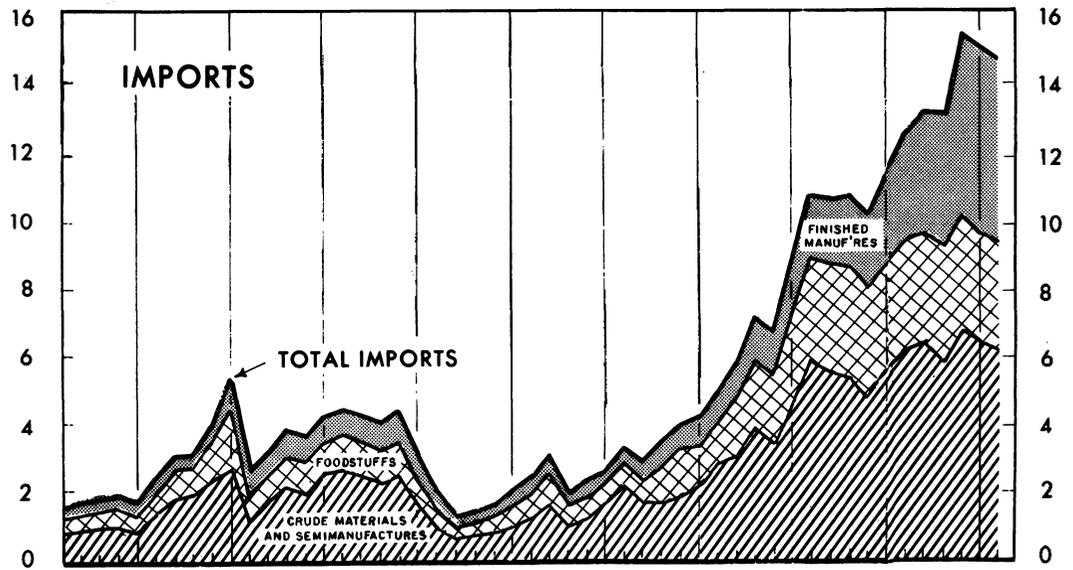
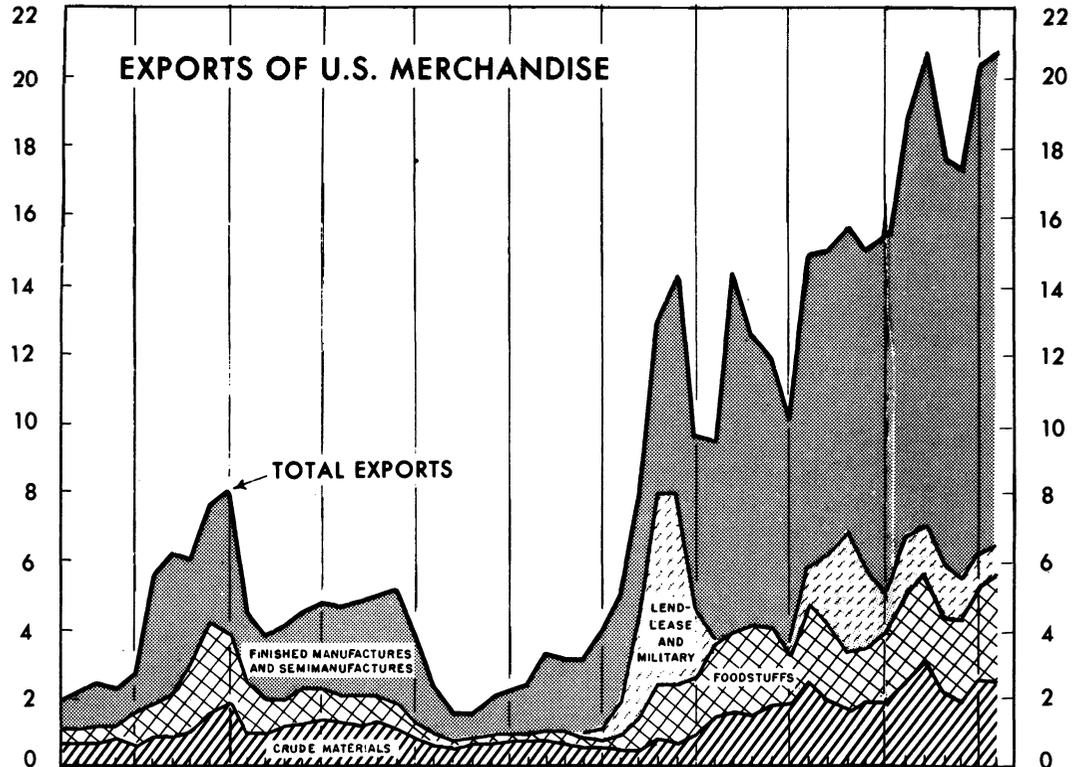
Until World War I, the United States was a debtor nation. Funds for national expansion and development were obtained in considerable measure from abroad. Long-term investments by people in other countries totaled \$1.4 billion in

FOREIGN TRADE, BY ECONOMIC CLASS

UNITED STATES, 1911-1961

Billions of Dollars

Billions of Dollars



1911 1915 1920 1925 1930 1935 1940 1945 1950 1955 1961

SOURCE: U.S. DEPARTMENT OF COMMERCE,
BUREAU OF CENSUS.

1869; in mid-1914, they were estimated at \$6.7 billion, of which \$3.9 billion was in railroads. British investors furnished nearly three-fifths of this total; Germany, the Netherlands, and France, somewhat over a quarter. On the whole, foreign investors preferred to risk their funds in private enterprises, of which railroads were the favored field.

World War I changed the balance. Since then, U.S. investments abroad have usually been greater than foreign investments here.

About three-fifths of United States direct investments are in the Western Hemisphere—55 percent in Canada and 45 percent in Latin America. Of the remaining two-fifths, 55 percent are in Europe. Elsewhere in the world, United States investment in 1961 was greatest in Australia (\$951 million), and the Republic of the Philippines (\$439 million).

More than one-third of U.S. direct private investment abroad in 1961 was in the petroleum industry, half of it in Latin America and Canada; one-third was in manufacturing, largely in Canada and Western Europe. The remainder was distributed among mining, public utilities, trade establishments, etc., largely in the Western Hemisphere.

U.S. Tariffs and Trade Agreements

U.S. tariffs originally were largely for revenue purposes; the idea of tariffs for protection of industry first became important in 1816. The next 100 years or more saw a long struggle between this and other ideas, and tariff levels were frequently changed. With few exceptions, however, tariffs generally tended to be protective, average duties on dutiable imports ranging between 26 and 62 percent. World War I brought some decline in duties, but the postwar low (16 percent) in 1920 was followed by a decade of rapidly mounting trade barriers. The Smoot-Hawley tariff of 1930 was the highest in recent U.S. history, yielding average duties on dutiable imports of 53 percent in 1931, 59 percent in 1932, and 54 percent in 1933.

This high tariff philosophy was reversed in the mid-1930's, and the current U.S. position is a recognition that foreign trade strengthens both the United States and foreign economies and that international trade must be a two-way flow. Fundamental to this position, the reciprocal trade agreements legislation of the United States has

by now become symbolic of international economic cooperation instead of economic warfare. United States protective actions against competitive foreign goods are rather exceptions to the basic philosophy of expanding foreign trade.

The reciprocal trade agreements program was initiated with the enactment of the Trade Agreements Act of 1934, passed by the Congress as an amendment to the Tariff Act of 1930. The 1934 act authorized the President—for a period of 3 years—to enter into trade agreements with other nations, to reduce duty rates within specified limits (up to 50 percent of the 1930 levels) and to modify other import restrictions in return for similar concessions. Since then, Congress has on many separate occasions renewed the trade agreements authority for consecutive periods of 1 to 4 years each, and most recently for 5 years. Additional tariff reduction authorizations were granted on four of these occasions. Amendments such as the escape clause and the national security provisions were added which affected the operation of the program, but the basic form and spirit of the legislation has remained unchanged. The escape clause allows for withdrawal or modification of tariff concessions on a finding that imports cause or threaten serious injury to domestic producers.

Within this framework, the Trade Expansion Act of 1962, signed into law on October 11, 1962, continues the President's authority to enter into trade agreements, broadens his authority to reduce tariffs, expands measures for dealing with unreasonable or discriminatory import restrictions of other countries against U.S. products, and introduces new authority permitting direct adjustment assistance to individual domestic firms and groups of workers found to be injured by import competition due to trade agreement concessions. Designed to meet current economic challenges and to strengthen the U.S. bargaining position in international trade, the act includes several types of tariff-cutting authority:

1. Basic authority for tariff reductions up to 50 percent of the July 1, 1962, rate over a 5-year period;
2. Special authority for tariff reductions up to 100 percent: (a) In agreements with the European Economic Community (EEC) on categories of industrial products in which the U.S. and the EEC combined account for 80 percent of world trade and on agricultural commodities if the President determines this action will help maintain or expand United States exports of such products; (b) on any tropical, agricultural, or forestry commodity of

less-developed countries, provided the EEC agrees to similar nondiscriminatory access for these commodities; and (c) on low-duty commodities (now set at 5-percent or less).

The traditional most-favored-nation policy extending the tariff concession granted by one country to the imports from all non-Communist countries is reaffirmed, but the President is authorized to deny these benefits to any country engaged in unreasonable or discriminatory trade practices against U.S. exports. The President may also increase any rate of duty up to 50 percent above the 1934 level and impose import quotas or other trade restrictions if he considers such action in the best interest of the Nation. While the escape clause and national security mechanisms are retained, the act provides as possible alternatives or supplements to increased import restriction, authority for the President to negotiate international agreements with countries limiting the exports of specific articles from those countries to the United States. It also authorizes direct adjustment assistance to firms and workers adversely affected by tariff reduction. Adjustment assistance includes technical assistance, direct loans and loan guarantees not available from other sources, and tax relief through the special carryback of operating losses. Workers certified as being unemployed or underemployed because of import competition due to tariff concessions are eligible for readjustment allowances in the form of unemployment compensation (up to 65 percent of their weekly pay or 65 percent of the average weekly manufacturing wage, whichever is less), retraining for other employment and relocation allowances to assist a family in moving to an area where employment is available.

Trade agreements during the early years of the reciprocal trade program were generally bilateral. As world conditions changed, limitations of the bilateral approach to worldwide problems became increasingly evident. Effective means were sought to establish a multilateral program for reducing world trade barriers. In 1947, the General Agreement on Tariffs and Trade (GATT) was negotiated by 23 member nations, including the United States. Membership has since grown to include 40 countries. The GATT sets forth principles and rules governing the import and export trade of the contracting parties. Meetings of its participating

members provide a broad international forum for discussion and settlement of mutual trade problems. In the first five major tariff negotiating conferences under GATT sponsorship, participating countries exchanged more than 60,000 tariff concessions. The United States participates in the GATT pursuant to the Trade Agreements Act of 1934 as amended and extended.

Under the various Trade Agreements Acts, the average U.S. tariff rates on dutiable imports (imports subject to customs duties) have been reduced about 50 percent in 20 years. About two-thirds of the reduction has taken place since World War II. If price changes are taken into account, American tariffs on dutiable imports declined by an average of approximately 75 percent during the years 1934-61.

The 1961 average rate on dutiable imports was a little over 12 percent. If the 39 percent of U.S. imports which enter free of duty are included, the average tariff on all imports, dutiable and non-dutiable, was 7.4 percent. Rates will be somewhat lower when reductions negotiated under the General Agreement on Tariffs and Trade in 1960-61 become fully effective in later years.

	Average import duties	
	As percent of dutiable imports	As percent of total imports for consumption (including duty-free imports)
1936-40 average.....	37.9	15.0
1941-45 average.....	32.1	10.9
1946-50 average.....	16.0	6.7
1951-55 average.....	12.1	5.4
1956-60 average.....	11.4	6.5
1961.....	12.1	7.4

SOURCE: U.S. Department of Commerce, Bureau of the Census, *Statistical Abstract of the United States, 1962*, p. 890.

For various reasons, by 1961, about 14 percent of approximately 3,800 rate classes in the U.S. tariff were not covered by any kind of trade agreement concessions. In some cases, the principal suppliers were not members of GATT or were countries with which the United States had negotiated bilateral agreements. In other cases, the rates of duty were already low and of minimal negotiating value. Sometimes items were proposed for concession but supplier parties could not offer reciprocal concessions. In others, the tariff classes cover "sensitive" items for which rates of duty could not be reduced, or for some similar reason.

The tariff is practically the only type of import control now exercised by the United States. A few exceptions have been made in terms of special import quotas for such commodities as sugar, cotton, cotton textiles, lead and zinc, and petroleum and its products, but in general, the United States makes little or no use of import quotas and does not use exchange controls, currency rationing, or other comparable devices.

Foreign Aid by the U.S. Government

Foreign assistance by the United States is generally provided through grants or gifts, credits or loans, and, more recently, through the sale of U.S. agricultural products for foreign currency. For the period July 1, 1945, to December 31, 1962, these three types of assistance, net after all forms of payment to the U.S. Government, totaled \$86,267 million. Net grants amounted to \$71,810 million; net credits to \$11,342 million; net other assistance, to an additional \$3,115 million.

Since World War II, United States foreign assistance programs have passed through several phases. The early phase of relief and reconstruction was a response to postwar needs of other countries. It was accomplished through the United Nations Relief and Rehabilitation Administration (UNRRA) and other programs. The Economic Cooperation Act of 1948 authorized funds for the European recovery program (the Marshall Plan) and, with further legislation in 1949 and 1950, for the Far East and other areas. (See table 17.)

With progressive recovery in other countries and with the mutual defense assistance program, authorized in 1949 to extend military aid to other nations, emphasis shifted from economic recovery to defense support.

Technical aid, initiated in limited form in Latin America during World War II, was expanded to other areas in 1950 and designated as the technical cooperation program (Point Four). It was designed to help raise levels of living in less-developed areas, not by contribution of capital funds but through the extension of technical knowledge and skill.

The Mutual Security Act of 1952 combined the major programs for economic, technical, and military assistance to other countries. Under the guidance of the Department of State, in the main,

TABLE 17. U.S. GOVERNMENT NET FOREIGN GRANTS AND LONG- AND SHORT-TERM CREDITS, 1945-62

[Millions of dollars or equivalent]

Period	Total	Military	Economic
July 1945-December 1954.....	\$49,588	\$13,773	\$35,815
1955.....	4,909	2,672	2,237
1956.....	4,951	2,634	2,318
1957.....	5,069	2,483	2,586
1958.....	4,926	2,368	2,559
1959.....	3,923	2,031	1,892
1960.....	4,429	1,812	2,617
1961.....	4,057	1,518	2,539
1962.....	4,414	1,630	2,784
Total postwar period (July 1, 1945-December 31, 1962).....	86,267	30,921	55,347
Percent.....	100.0	35.8	64.2

NOTE: Recent figures are preliminary and subject to revision. Because of rounding, sums of individual items may not equal totals.

"Net grants and credits" equals gross grants and credits (in goods shipped, services rendered, and funds disbursed by U.S. Government to or for the account of foreign governments, or other entities) minus the goods and services received by, and funds repaid to, the U.S. Government from the foreign sources.

For data by country, see *Statistical Abstract of the United States, 1962* (U.S. Department of Commerce, Bureau of the Census), p. 865ff.

it has been administered by the Agency for International Development and its predecessors (the Foreign Operations Administration and the International Cooperation Administration), in economic and technical fields, and by the Department of Defense in military supply and training fields. The Export-Import Bank also provides many of the long-term foreign credits of the U.S. Government.

In 1961, the United States joined with the Organization of American States in establishing the Alliance for Progress. This agreement calls for mobilizing and directing Latin American resources on a self-help basis so as to bring about profound economic, social, and cultural improvements in the Latin American countries and economic integration of the continent. To supplement Latin American domestic resources, the program envisages a minimum external investment of \$20 million over a 10-year period. For its part, the United States agreed to furnish technical assistance and major financial cooperation in the form of long-term loans at low, or zero, interest rates.

The United States supports and participates in various international organizations such as the United Nations and its specialized agencies: The International Labour Office, the Food and Agriculture Organization, and the International Monetary Fund, organizations which provide a considerable amount of technical assistance, including trained personnel, to nations requesting such aid.

Government Income Security Programs

Government Social Insurance and Assistance Programs

The social protection enjoyed by American families is a composite of many programs, public and private, and is difficult to picture as a whole. The public programs are discussed here; some privately developed programs are mentioned on page 43. The public programs, largely developed since about 1935, are of two kinds: Those that provide services, and those that provide money payments to help maintain the income of the recipient.

The many public programs that provide services rather than money payments are not described here. They include U.S. Children's Bureau services to promote the health and welfare of mothers and children; Federal, State, and local public health programs; vocational counseling and rehabilitation; State employment services; and many other programs. There is also a whole complex of systems for aiding veterans (former military personnel) in various ways.

Money payments are made to individuals to help maintain their incomes under numerous programs. Some of these are Federal, others are State or city, and some are joint Federal-State. In general, the types of payments are:

1. Payments to retired workers and their dependents or, in the case of death, to the survivors (old-age and survivors' insurance);
2. Payments to unemployed workers (unemployment insurance);
3. Payments to workers permanently or temporarily disabled and to their dependents in case of death (Federal and State programs, including workmen's compensation to workers injured on the job); and
4. Payments to poor and needy individuals and families (various public assistance programs).

The United States has no system of family allowances. Income taxes are lower, however, for persons having family dependents. Provision for dependents is also made under the Federal old-age, survivors, and disability insurance (OASDI); by unemployment insurance in 12 States; by workmen's compensation in 14 States; and by public assistance programs generally.

Insurance Systems. There are two kinds of public income maintenance for the individual in the United States: (1) insurance and (2) assistance to

the needy. (See listing pp. 36-37 on social insurance.) Most of the public social security programs are basically income insurance. While a person is earning money, payments are made by the employee and his employer into a fund in order that, when the employee's earnings are interrupted, the employee may receive benefits from the fund to partially reimburse the loss of his earnings. Certain self-employed persons may also pay into the social security fund. In most of the programs, benefits paid to the individual or to his dependents are related to his payments on prior earnings.

Public assistance, or relief, on the contrary, is not related to prior earnings. Here the chief qualification is need and, provided residence requirements are met, payments are limited to meet that need.

Temporary income loss through illness or injury not connected with the job is for the most part not covered by public systems; however, there is an area, amounting to about one-fourth of those workers with unemployment insurance, who are protected by law against short, nonwork-connected disability.

Income loss due to temporary disability, medical expenses, and long-term unemployment (usually 6 months or more) are the largest areas that are covered only to a minor degree by public insurance programs. During recession periods, however, the Federal Government instituted programs for extending the duration of unemployment insurance benefits to 9 months.

Public Assistance. Public assistance is a general term applied to a whole battery of public programs that help to fill the gaps left by the insurance systems. Eligibility for assistance or relief is based upon proof of need, providing residence requirements can be met, and payments are intended to cover minimum needs. (See table 18.)

Assistance is administered by State and local governments rather than by the Federal Government. Nevertheless, the Federal Government at present pays a large part of the cost through Federal-State programs of aid for special groups. State and local public assistance, and some sources of private aid, provide with varying degrees of adequacy for the remainder of the need. Necessary medical expenses may be provided.

TABLE 18. CHIEF GOVERNMENT SOCIAL

Type of risk	What agencies operate the programs?	Who pays?	Who is covered?	Number covered; degree of coverage
Old age: Death of breadwinner.	Federal Government, primarily through Bureau of Old-Age and Survivors Insurance.	Under Old-Age, Survivors, and Disability Insurance (OASDI), employers and employees each pay into fund 3½ percent of employee's earnings, and self-employed persons pay 5.4 percent of earnings up to \$4,800 a year. (Steps up in 1966 and 1968.)	Nearly all economically active persons, civilian and military; great majority are under OASDI.	About 93 percent of persons in paid employment are covered by OASDI or other public programs.
Unemployment.....	State agencies, with Federal cooperation, supervision, and administrative financing. Federal Government operates railroad insurance plan.	Employers; in 3 States employees also pay small share. State rates vary from 0.0 percent to 4.0 percent of an employee's earnings up to \$3,000 per year (more in a few States). Lower rates apply to employers providing steady employment.	Most wage and salary workers in industry, commerce, transportation, Federal Government, etc., and veterans with military service, and some State and municipal employees.	About four-fifths of nonagricultural wage and salary workers; estimated 4th quarter, 1961 average almost 47.3 million.
Permanent disability..	(1) Federal Government, primarily through Bureau of Old-Age and Survivors Insurance, and (2) State workmen's compensation agencies.	Under the Federal OASDI law, cost is paid by employers, employees, and self-employed, through OASDI fund. Under State workmen's compensation laws, cost is paid by employers through insurance; cost varies widely but averages about 1 percent of employee earnings.	Federal program applies to all persons covered by OASDI (see above); State workmen's compensation programs apply to wage and salary employees, in case of work-connected disability.	About 90 percent of labor force is covered by Federal program. State workmen's compensation covers about four-fifths of wage and salary workers.
Temporary disability: Occupational.....	Primarily State workmen's compensation agencies.	Under State workmen's compensation laws, cost is paid by employers through insurance.	Wage and salary employees whose disability is the result of work injury.	State workmen's compensation programs cover about four-fifths of wage and salary workers.
Nonoccupational....	Employment security agencies in California, New Jersey, and Rhode Island; Workmen's Compensation Board in New York; and the Federal Railroad Retirement Board for railroads.	In 2 States, 1 percent employee contribution; in 1, a ½-percent employee and ¼-percent (adjusted by experience) employer contribution subject to dollar maximum; in the 4th State, a ½-percent employee contribution up to 30 cents a week with employer paying the remainder. Employers finance railroad fund.	Wage and salary workers, generally the same groups protected by unemployment insurance laws in the 4 States and railroads' employees.	About 11.7 million workers.

(Federal and many State and local government workers continue to receive wages during periods of temporary occupational and nonoccupational disability.)

SOURCE: U.S. Department of Labor and U.S. Department of Health, Education, and Welfare.

INSURANCE PROGRAMS AS OF JANUARY 1, 1963

Who is not covered?	Benefits; how much?	Benefits to how many?	Maximum benefits period	Notes
About 7 percent of persons in paid employment, mainly some of the self-employed and domestic worker.	Benefits vary with previous earnings, age and number of dependents. Maximum OASDI payments per month are: retired man alone, \$127; man, wife, over 65, \$190.50; widow, 2 children, \$254. Actual payments average about two-thirds of maximum.	Under OASDI, July 1962, to 16,220,000 beneficiaries, including 2,506,000 children and young widows.	Under OASDI, during retirement: from age 62 or over.	Large and growing numbers of persons are covered also by supplementary private pension plans, often established through collective bargaining.
Self-employed; employees of firms with 1 to 3 workers in 31 States; employees in agriculture, domestic service, most nonprofit organizations, and family employees in most States. Total not covered: about 15,300,000 civilian wage and salary workers, 9,900,000 self-employed and unpaid family workers.	Benefits vary according to previous earnings, and from State to State; in 12 States, vary also with number of dependents, minimums range from \$3 to \$17, and maximums from \$30 to \$70 per week. The average weekly benefit in 1961 was \$33.80, paid during an average period of 14.7 weeks.	During 1961, to average of 2,004,000 persons each week; nearly 7,066,000 persons received one or more payments.	Maximum of 20 to 39 weeks in a year, depending on State law; national average is 23.6 weeks.	Administration is combined with public employment exchanges; applicant must be registered for a job, and must accept suitable work if offered.
State workmen's compensation laws, covering work-connected disability; exclude self-employed, most workers in agriculture and domestic service, and in many States, workers in small establishments and persons irregularly employed. Housewives, children, and others outside the labor force are generally not covered.	Under Federal and State programs, benefits related to previous earnings, up to maximum expressed in dollars. Under Federal program, benefits same as for OASDI. State laws generally provide maximum benefits of \$30 to \$50 per week with some States paying additional allowances for children.	691,000 disabled persons and 485,000 dependents of disabled workers were receiving OASDI benefits in July 1962. Data not available on permanently disabled receiving workmen's compensation.	Under Federal program, permanently disabled workers may draw OASDI pension for life. Under workmen's compensation, over half of States provide benefits for life or duration of disability; most other States limit benefits to 8-10 year periods.	Federal Government aids States in program of public assistance (not insurance) payments to needy persons permanently disabled. Some States and the Federal Government provide rehabilitation training.
State workmen's compensation laws usually exclude most workers in agriculture and domestic service, and in many States, workers in small establishments, self-employed, and those irregularly employed.	Benefits are related to earnings up to a maximum, generally of \$32 to \$50 a week under the different State laws.	Data not available.....	State laws vary, from 4 years to entire period of disability.	Payments of medical services are provided under workmen's compensation laws; some also provide for rehabilitation program.
The same groups not covered by unemployment insurance in the 4 States with programs, plus all workers in the remaining 46 States and Washington, D.C.	As in unemployment insurance, benefits vary according to previous earnings and State law. Minimums without dependents \$10 a week; maximums range from \$36 to \$70 a week, plus hospital benefits in 1 State. Railroad benefits range from \$45 to \$102 for 2-week period.	In 1961, number of periods of disability compensation 543,000; this excludes periods of statutory payments by private insurance companies in New York and California. Also excludes periods compensated by nonstatutory private insurance.	26 weeks.....	In addition to statutory programs, many persons are covered by private insurance. Coverage is extensive.

The millions who receive public assistance include people who have not been protected by the insurance systems, or whose protection under the systems is inadequate for their needs, or who have special needs such as medical care which are not otherwise provided for. The Federal Government also helps the States to pay some of the costs of medical services for older persons who can meet living expenses but cannot afford the medical care they need.

The Federal Government helps the States to support four dependent groups: (a) needy persons aged 65 and over; (b) blind persons; (c) totally disabled persons; and (d) families with dependent children.

The Federal Government aids in the support of the first three groups by contributing 29/35 of the first \$35 of the State's average monthly payment plus 50 to 65 percent of the remainder of the State's payment, up to an average maximum of \$70 per recipient. The exact percent for each State is determined by the State's per capita income, with the States having the highest per capita income receiving 50 percent and the States with the lowest receiving 65 percent from the Federal Government. The State is free to increase the payments to individuals above \$70 a month by adding more on its own part, and many States do so. For children, the Federal Government pays \$14 of the first \$17 of the State's average monthly payment, plus from 50 to 65 percent of the remainder, up to \$30 per recipient. The percent is related to the per capita income of the States, as in the other three programs.

For all four groups, the Federal Government shares in payments made to those supplying medical care to assistance recipients. For old-age assistance, the Federal Government shares in such costs up to \$15 above the \$70 maximum. To help States pay medical care costs for aged persons not receiving old-age assistance but who cannot meet the cost of medical care, Federal sharing ranges from 50 percent to 80 percent of expenditures.

The Federal Government also helps the States to provide maternal and child health services, special aid to crippled children, and child welfare services.

General Assistance is considered a branch of public assistance. It is a name under which are grouped all sorts of State and local government

aid to persons who are in need but are ineligible for (or inadequately supported by) other types of public insurance and assistance.

General Assistance is usually administered by local government units within the State. The State may pay the entire cost, a part, or nothing at all; on the average, the States pay about half. Because of the extent of local responsibility, eligibility conditions and adequacy of aid vary infinitely.

The number of persons receiving the various types of Federal, State, and local assistance in July 1962, and the average amounts they received, were as follows:

	<i>Number of recipients</i>	<i>Average monthly payments</i>
Old-age assistance (note that this program is unconnected with old-age, survivors, and disability insurance, which is an insurance, not an "assistance" plan).....	2,233,000	\$73.16
Medical assistance for the aged (not receiving old-age assistance).....	103,000	205.36
Aid to the blind.....	100,000	77.49
Aid to the permanently and totally disabled.....	419,000	71.43
Aid to families with dependent children (930,000 families, average payment \$122.90).....	3,638,000	31.40
General assistance (330,000 cases, average per case \$66.87).....	798,000	28.28

NOTE: General assistance occasionally supplements other forms of public assistance. The total number of recipients is therefore somewhat less than the sum of the items shown.

SOURCE: U.S. Department of Health, Education, and Welfare, Social Security Administration.

People who are forced to depend on public assistance, including general assistance, can hardly be called a group. They are a great number of scattered individuals and broken families, many or most of whom are entirely outside the labor force. They are deserted wives and children; aged individuals who had no opportunity to build up OASDI credit; migratory farm workers out of a job; some workers who have exhausted rights to unemployment benefits by reason of long unemployment; workers of marginal ability; and mental or physical invalids. If these people have no relatives to care for them, they must look to some form of public assistance or institutional care. Expenditures for public assistance are expected to decline somewhat as workers accumulate more insurance credits; but there may always be many who cannot be brought into any income insurance system, for whom continued special provision will be necessary.

Wage and Hour Legislation

The Fair Labor Standards Act (Federal Wage-Hour Law) of 1938 is the Federal law of most general application concerning wages and hours of work. This act applies to employees engaged in or producing goods for interstate commerce, including any closely related process or occupation directly essential to such production. As a result of amendments enacted in 1961, the act also applies to employees in enterprises engaged in commerce or in the production of goods for commerce. These include: Enterprises having two or more retail or service establishments, an annual gross volume of sales of \$1 million or more (exclusive of certain excise taxes), and \$250,000 in receipts or purchases of goods which move or have moved across State lines; urban and interurban transit enterprises having an annual gross volume of sales of \$1 million or more (exclusive of certain excise taxes); enterprises engaged in the business of construction or reconstruction having an annual gross volume from the business of \$350,000 or more; gasoline service establishments having an annual gross volume of sales of \$250,000 or more (exclusive of certain excise taxes); and any other type of enterprise having an annual gross volume of sales of \$1 million or more. All employees in any such enterprise which, in addition to meeting the annual volume of sales tests, has two or more employees individually engaged in commerce or in the production of goods for commerce are covered by the act.

For employees within its coverage, the act sets minimum wage, maximum hours, and overtime pay standards. It also restricts the employment of child labor and, generally effective June 11, 1964, prohibits wage discrimination on the basis of sex.

As amended in 1961, the act establishes a minimum wage of \$1.25 an hour and a 40-hour maximum workweek, to become effective in gradual stages, beginning September 3, 1961, as follows:

I. For employees individually engaged in commerce or in the production of goods for commerce: A minimum wage of \$1.15 an hour (\$1.25 an hour, effective September 3, 1963) and a 40-hour maximum workweek, with overtime compensation at a rate of not less than one and one-half times the employee's regular rate of pay for all hours worked over 40 in any workweek; and

II. For employees made subject to the monetary provisions of the act for the first time as a result of the 1961

amendments: A minimum wage of \$1 an hour (\$1.15 an hour effective September 3, 1964; \$1.25 an hour, effective September 3, 1965) and, effective September 3, 1963, a maximum workweek of 44 hours (42 hours, effective September 3, 1964; 40 hours, effective September 3, 1965), with overtime compensation at not less than one and one-half times the employee's regular rate of pay for all hours worked in excess of the statutory maximum workweek.

The child labor provisions set a minimum age of 16 years for most jobs; a minimum age of 18 years for work in hazardous occupations (as designated by the Secretary of Labor); permits the employment of children between 14 and 15 years of age in a limited number of jobs, such as office and sales work, for a limited number of hours and times of day; and prohibits the employment of children under 14 years of age.

Exemptions from some or all of these requirements are provided for employees in certain occupations and industries. The Equal Pay Act of 1963, which amends the Fair Labor Standards Act and becomes generally effective on June 11, 1964, prohibits wage discrimination on the basis of sex in establishments having employees subject to the minimum wage requirements of the Fair Labor Standards Act. The equal pay standard does not apply to any employee who is exempted from the minimum wage provisions of the Fair Labor Standards Act.

Unless specifically exempt, all covered employees must be paid at least the applicable minimum wage, regardless of whether the employees are paid by the hour, by salary, by piece work, or by any other method. However, learners, apprentices, messengers, handicapped workers, and full-time students employed in retail or service establishments outside of school hours, under certain circumstances, may be paid special lower minimum wage rates, provided that special certificates are first obtained from the Administrator of the Wage and Hour and Public Contracts Divisions. Also, for employees in Puerto Rico, the Virgin Islands, and American Samoa, industry wage orders may set minimum rates below the statutory minimum.

The law applies equally to men and women, to homeworkers as well as factory and office workers (certificates issued by the Divisions are necessary for homeworkers in certain industries) and generally regardless of the number of employees of an employer. The law does not require extra pay for Saturday, Sunday, or holiday work, as such, or

vacation, holiday, or severance pay or a discharge notice; nor does it set any limit on the number of hours persons 16 years of age or over may work.

Approximately 28 million workers are subject to this act, 3.6 million of whom were brought within its coverage for the first time by the 1961 amendments. About 2.2 million of this latter group are employed in retail or service establishments.

The Fair Labor Standards Act is enforced by the U.S. Department of Labor. Other Federal agencies administer legislation covering working conditions for such industries as trucking, railroads, and airlines.

Thirty-four States have their own wage or hour laws to protect working women, particularly those not covered by the Federal act, such as women in retail trade, restaurants and hotels, laundries, and beauty shops. Sixteen of these States have also established minimum wages for men and many of the State laws also regulate or prohibit nightwork by women.⁴

Employment Act of 1946

The Employment Act of 1946 states it is the policy and responsibility of the Federal Government to promote employment, production, and purchasing power. Section 2 of the act, the Declaration of Policy, reads as follows:

The Congress hereby declares that it is the continuing policy and responsibility of the Federal Government to use all practicable means consistent with its needs and obligations and other essential considerations of national policy, with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, conditions

under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power.

The act's major requirement is that the President submit an annual economic report to the Congress "setting forth (1) the levels of employment, production, and purchasing power obtaining in the United States and such levels needed to carry out the policy declared in section 2;(2) current and foreseeable trends in the levels of employment, production, and purchasing power; (3) a review of the economic program of the Federal Government and a review of economic conditions affecting employment in the United States or any considerable portion thereof during the preceding year and of their effect upon employment, production, and purchasing power; and (4) a program for carrying out the policy declared in section 2, together with such recommendations for legislation as he may deem necessary or desirable."

The act established a Council of Economic Advisors to assist and advise the President and a Joint (Congressional) Committee on the Economic Report "to make a continuing study of matters relating to the Economic Report; to study means of coordinating programs in order to further the policy of this act; and as a guide to the several committees of the Congress dealing with legislation relating to the Economic Report . . . to file a report. . . containing its findings and recommendations with respect to each of the main recommendations made by the President in the Economic Report, and from time to time to make other reports and recommendations to the Senate and House of Representatives as it deems advisable."

⁴For further information, see *Federal Labor Laws and Agencies: A Layman's Guide* (1957), U.S. Department of Labor, Bureau of Labor Standards, pp. 37-44. (Bulletin No. 123, Revised; and 1960 Supplement).

Employer-Employee Relationships

The National Labor Relations Act

For more than a century, trade unions developed in the United States without specific Federal legislation protecting their formation and operation. Except for measures affecting maritime labor and railroad workers, the Norris-LaGuardia (Anti-Injunction) Act of 1932 and section 7(a) of the National Industrial Recovery Act of 1933, Congress did not enact any laws dealing specifically and exclusively with problems of trade union organization and activities until the passage of the National Labor Relations Act of 1935 (the Wagner Act). This law guaranteed the right of workers to organize and bargain collectively with their employers and outlawed company unions. It also forbade as unfair labor practices certain types of anti-union actions by employers. The act created a National Labor Relations Board authorized to enforce the act and to hold elections among employees to determine which union, if any, should represent them in bargaining with their employer.

In 1947, the National Labor Relations Act was revised, with the general effect of adding restrictions or prohibitions on certain activities and practices of labor organizations to the restrictions already placed on employers in 1935. The 1947 act (called the Taft-Hartley Act) added lists of actions which unions might not take without violating the law. Thus, both employers and labor unions now have lists of unfair practices which they are forbidden to follow in their relations with each other. In addition, the law forbids a closed shop agreement—that is, a shop in which only members of a union may be hired by the employer. However, it permits a union shop agreement, that is, where an employer may hire workers who are not members of the union, but where the workers must join the union within a specified period.

In 1959, the Labor-Management Reporting and Disclosure Act was passed. This law provides for additional restrictions on union and union officers' activities and new safeguards for rank-and-file members, and makes some changes in the Taft-Hartley Act. It lays down rules for union relationships with members. Officers must file reports on their own and their organization's finances.

Certain conditions of ineligibility for office are established. The secondary boycott provisions of the Taft-Hartley Act are strengthened. Organizational and recognition picketing are permitted only under specified conditions.

Employee Dismissals

U.S. laws do not, in general, restrict a private employer in his right to lay off or discharge a worker at any time (except that some States forbid dismissals because of race, creed, or national origin, and except that it is an unfair practice under the Taft-Hartley Act for an employer to dismiss a worker because of legitimate trade union activity). Restrictions on an employer's right to dismiss workers appear rather in collective agreements (contracts between union and management) governing questions of dismissal and layoff. Typically, the general decision that workers must be laid off is within the discretion of the employer, though agreements may establish the order of layoff or may require consultation with the union as to procedure. However, not all nonunion employees are without protection. Federal, State, and local government employees are often protected through civil service and other systems. For various reasons, many private employers voluntarily adopt procedures similar to those in collective agreements.

Under union agreements, an employee may be discharged for just cause including wrong conduct. The union will appeal his dismissal, however, under the grievance procedure in the collective agreement, if it believes the dismissal unfair.

In case of a layoff for such a reason as lack of business, the latest employee hired is usually the first to go (seniority rule), but skill and ability to perform the job often are considered also. Under many agreements, the laid-off employee has a right to be rehired when business revives.

The laid-off employee is usually eligible for State unemployment insurance, and sometimes also for private benefits as agreed upon in collective bargaining. Many collective agreements provide for severance or separation pay to employees permanently dismissed.

Trade Unions

Slightly less than 1 of every 3 employees (wage and salaried workers) in nonagricultural establishments was a trade union member in 1960. Total union membership of 17.5 million was more than 6 times greater than in 1933, and more than 20 times greater than in 1900. Since 1958, membership in trade unions has declined slightly.

About 80 percent of the organized workers are members of national unions affiliated with the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO). However, 50 national unions and many single firm unions are not affiliated with this federation. Among the larger independent unions are the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America; United Mine Workers of America; United Electrical, Radio and Machine Workers of America; International Union of Mine, Mill and Smelter Workers; Order of Railway Conductors and Brakemen; and Brotherhood of Locomotive Engineers.

The American Federation of Labor (AFL) was formed in 1886, and grew slowly. Membership was originally organized largely according to occupation or craft. During 1935 and 1936, eight unions, some of which had left the AFL and some of which were independent, formed a separate federation which became known as the Congress of Industrial Organizations (CIO). The CIO emphasized organizing all workers in an establishment into a single union, rather than separately according to occupation. With the passage of time, however, both the AFL and the CIO tended to become a mixture of craft and industrial unions. In 1955, the AFL and CIO merged to form the AFL-CIO. The merged federation is composed of approximately 62,000 local and 134 national and international unions.

Degree of Organization. The extent of trade union organization varies by industry, occupation, and area. Mining, construction, much of manufacturing, transportation, and public utilities are highly organized. Agriculture, trade, banks, or insurance companies have little union organization. Regionally, union organization is least prevalent in the South.

About two-thirds or more of all factory production workers are organized. Basic industries like

steel, automobile, aircraft, meatpacking, rubber, and electrical manufacturing are almost completely organized. The unorganized factory workers are chiefly in textiles and lumber in the South and in scattered small manufacturing plants in all regions.

From an occupational standpoint, the largest unorganized groups are white-collar workers, hired agricultural workers, and domestic workers. Generally considered ineligible for union membership and generally unorganized are military personnel, proprietors, managers, the self employed, and farm operators.

Most union members are men, but the proportion of organized women workers is increasing. Altogether, about 3.3 million women workers were union members in 1960. Their number and influence are considerable in the apparel, telephone, and hotel and restaurant unions.

Work Stoppages

Working time lost in strikes and lockouts varies from year to year, although it is always small compared with total time worked. In 1935-39, the time lost averaged about 0.3 percent of working time. Just after World War II, it rose to almost 1.5 percent; by 1962, it had declined to 0.16 percent of total work time.

Strikes are, in general, lawful in the United States, and workers strike from time to time in order to obtain better wages or better working conditions. Generally, improvements are obtained through peaceful collective bargaining.

A few types of strikes, however, are either illegal or subject to special regulation. Federal Government employees are forbidden to strike. Some of the States and cities ban strikes by State employees or by workers in public utilities (electricity, gas, water). Strikes caused by a dispute between two unions are illegal under the National Labor Relations Act. Strikes or lockouts that are deemed to imperil the national health or safety are subject to special rules, the general intent of which is to end the stoppage, or to delay it to allow more time for conciliation and other efforts to settle the dispute.

Mediation, Conciliation, and Arbitration

The vast majority of union-management differences are settled without strikes; and most

strikes are settled between employer and union without outside help. However, if outside help is offered and is accepted by the parties, it often takes the form of mediation or conciliation.

Mediators or conciliators may be anyone both sides are willing to accept. Almost all such services are provided by Federal, State, or local government agencies. The Federal Government, through the Federal Mediation and Conciliation Service, maintains a corps of mediators throughout the country. These officers help to settle many disputes before they reach the strike stage and many after a strike has begun. The mediator talks first with one side and then with the other, offering suggestions and trying to persuade both sides to achieve agreement.

Settlement of strikes by an agreement to arbitrate, not common in the United States, means that both sides agree to put the case before some impartial person or group and to accept the decision, whatever it may be. Arbitration of grievance disputes that arise during the term of an agreement is a common practice, provided for in most union-management agreements.

Private Supplementary Wage and Personnel Practices

In addition to the government social insurance programs for protection against the hazards of old age, unemployment, and disability, mentioned on preceding pages, there are in the United States, as in many other countries, many private arrangements which supplement wages and are classified by employers as labor expenditures. These extra benefits are commonly called fringe benefits.

They include private pension and retirement plans; paid vacations and holidays; supplementary unemployment benefits; profit-sharing; and health and insurance plans.

A few supplementary wage and personnel practices discussed briefly in the following section have been selected largely for their special interest to foreign countries.

Private Pension and Disability Retirement Plans

Private retirement plans are generally considered as supplements to the Federal Govern-

ment's old-age, survivors, and disability insurance program. Although the first private pension plan formed in the United States was started by the American Express Co. (now Railway Express Agency) in 1875, the real expansion of such plans began in 1950. There were 720 known plans covering 2.7 million employees in 1930; 1,965 plans covering 4.1 million employees in 1940; and 12,330 plans covering 9.8 million employees by 1950. By 1962, about 23 million employees were protected by private retirement plans in addition to government social security. There were approximately 2 million retired workers drawing benefits from these plans in 1962.

In 1960, an estimated 11 million employees of private enterprises were covered by pension plans under collective bargaining agreements. The plans include both those negotiated by management and labor unions, and those originally established by the employers and subsequently incorporated in labor-management agreements. Prominent among negotiated plans are those of the General Motors Corp., U.S. Steel Corp., and industrywide and areawide programs covering workers in the bituminous coal, men's and women's clothing, and other industries.

Generally speaking, only full-time permanent employees may participate in private plans. Eligibility for a full or partial pension depends in most cases, on the attainment of a certain age and the completion of a specified period of service, usually more than 10 years. The normal retirement age is ordinarily 65, but retirement is not necessarily compulsory at that age.

Collective bargaining agreements often provide for retirement benefits (to be added to Federal Social Security benefits) for employees who have 10 or more years of service with the company. A Bureau of Labor Statistics survey of 300 pension plans under collective bargaining, made in the fall of 1959, showed that a worker earning \$4,800 annually and retiring at age 65 after completing 30 years' service, will, on the average, receive about \$207 per month, including maximum primary Social Security benefits of \$127 a month. If the retired worker is married, his wife will receive \$63.50 per month.

Government

Government Receipts

Federal receipts come in large measure from direct taxes: 58 percent is derived from individual income, and 24 percent is from corporate income taxes. Indirect taxes, chiefly excise taxes, account for 18 percent. Contributions for social insurance are set aside in separate trust funds.

The State and local governments depend chiefly on property taxes and sales taxes for revenue sources. In addition, the States receive Federal Government grants-in-aid. (See table 19.)

Government Expenditures

In 1962, 9 percent of the total United States national production of goods and services, public and private—the gross national product or GNP, went for military or defense purposes. For government, however, as indicated in table 20, defense was the largest single cost. After national defense, the largest governmental expenditure was for education, followed by natural resources, highway costs,

and interest on debt. Education costs are chiefly for elementary and secondary schools, and are carried largely by local authorities.

Federal Income and Estate Taxes

Federal Individual Income Taxes. Citizens and residents of the United States are required to pay a tax on income. The higher the income, the larger the part of the income that is paid in taxes. The heaviest tax burden is placed upon those most able to pay. Thus, although the combined incomes in 1960 of all persons who had incomes under \$5,000 amounted to more than 27 percent of the total of incomes reported, this under-\$5,000 income group paid only about one-sixth of the total income taxes collected from individuals. The rates on 1962 income for a single person or a married person filing a separate return were as follows:

20 percent on the first..... \$2,000 of taxable income.
22 percent on the second..... \$2,000 of taxable income.
26 percent on the third..... \$2,000 of taxable income.
—and so on, up to 91 percent on the income above \$200,000.

TABLE 19. GOVERNMENT RECEIPTS, 1962

Source	Amount (millions)			Percent		
	Total	Federal	State and local	Total	Federal	State and local
Total receipts.....	\$132,890	\$85,032	\$47,858	100.0	100.0	100.0
Individuals.....	57,686	49,029	8,657	43.4	57.7	18.1
Income taxes.....	55,329	52,105	3,224	41.6	61.3	6.7
Estate (Federal) and death (State) and gift taxes.....	2,022	2,074	545	2.0	2.4	1.1
Motor vehicle licenses.....	861	.....	861	.6	.....	1.8
Property taxes.....	404	.....	404	.3	.....	.8
Other taxes.....	311	.....	311	.2	.....	.6
Nontax receipts.....	3,397	88	3,309	2.6	.1	6.9
Less tax refunds.....	-5,238	-5,238	.....	-3.9	-6.2	.....
Corporate profit tax accruals.....	22,169	20,769	1,400	16.7	24.4	2.9
Indirect business tax and nontax accruals.....	53,035	15,234	37,801	39.9	17.9	79.0
Excise taxes (Federal) and sales taxes (State and local).....	25,721	13,149	12,572	19.4	15.5	25.3
Liquor.....	4,180	3,393	787	3.1	4.0	1.6
Tobacco.....	3,125	2,029	1,096	2.3	2.4	2.3
Gasoline and other.....	11,493	7,727	3,766	8.6	9.1	7.9
General sales tax (State).....	5,399	.....	5,399	4.1	.....	11.3
Local sales tax.....	1,524	.....	1,524	1.1	.....	3.2
Customs duties.....	1,212	1,212	.....	.9	1.4	.....
Motor-vehicle licenses.....	823	.....	823	.6	.....	1.7
Property taxes.....	19,045	.....	19,045	14.3	.....	39.8
Other taxes.....	3,715	.....	3,715	2.8	.....	7.8
Nontax receipts.....	2,768	1,122	1,646	2.1	1.3	3.4
Less tax refunds.....	-249	-249	.....	-.2	-.3	.....
Contributions for social insurance.....	23,900	20,381	3,519	.....	.....	.....
Federal grants-in-aid to States.....	7,669	.....	7,669	.....	.....	.....

NOTE: Receipts of public service enterprises such as TVA are not included. Also excluded are trust funds, chiefly social security.

Nontax receipts include fines and penalties, rents and royalties, entrance fees to the National Parks, receipts from sale of documents, State license fees, tuition of State universities, etc.

Federal grants-in-aid cover grants for highways, agricultural research and

education, vocational education, veterans' postwar education, public assistance, administration of the unemployment insurance program and the public employment services, etc.

SOURCE: U.S. Department of Commerce, Office of Business Economics, *Survey of Current Business*, July 1963, p. 22.

TABLE 20. GOVERNMENT: DIRECT GENERAL EXPENDITURES, BY FUNCTION AND LEVEL OF GOVERNMENT, 1962

Function	Amount (millions)				Percent			
	Total	Federal	State	Local	Total	Federal	State	Local
Total direct expenditures ¹	\$148, 415	\$88, 953	\$20, 373	\$39, 089	100. 0	100. 0	100. 0	100. 0
National defense and international relations.....	53, 225	53, 225			35. 9	59. 8		
Space research and technology.....	1, 242	1, 242			. 8	1. 4		
Postal service.....	4, 101	4, 101			2. 8	4. 6		
Education.....	22, 525	598	4, 268	17, 659	15. 2	. 7	20. 9	45. 2
Highways.....	10, 472	151	6, 635	3, 686	7. 1	. 2	32. 6	9. 4
Public welfare.....	5, 070	63	2, 509	2, 498	3. 4	. 1	12. 3	6. 4
Health and hospitals.....	6, 094	1, 793	2, 161	2, 140	4. 1	2. 0	10. 6	5. 8
Police protection.....	2, 286	196	276	1, 814	1. 5	. 2	1. 3	4. 6
Local fire protection.....	1, 100			1, 100	. 7			2. 8
Sanitation.....	1, 912			1, 912	1. 3			4. 9
Natural resources.....	13, 080	10, 623	973	1, 284	8. 8	12. 2	4. 8	3. 3
Housing and urban renewal.....	1, 666	548	8	1, 110	1. 1	. 6	(?)	. 9
Air transportation.....	1, 105	709	35	361	. 7	. 8	. 1	. 9
Water transport and terminals.....	1, 383	1, 096	91	196	. 9	1. 2	. 4	. 5
Social security administration.....	727	328	399		. 5	. 4	2. 0	2. 8
Financial administration.....	1, 099	641	509	549	1. 1	. 7	2. 5	1. 4
General control.....	1, 482	209	254	1, 019	1. 0	. 2	1. 2	2. 6
Interest on general debt.....	9, 158	7, 162	635	1, 361	6. 2	8. 1	3. 1	3. 4
Other and unallocable.....	10, 088	6, 068	1, 620	2, 400	6. 8	6. 8	8. 0	6. 1

¹ Because of rounding, sums of individual items may not equal totals.
² Less than 0.05 percent.

NOTE: Data apply to fiscal year ending during 1962. For the Federal Government, most school districts, and all but 4 of the 50 States, the fiscal year ended June 30. Other governments end their fiscal year at various

times. Local government units are of various types: county, city, township, school district, and special district.

SOURCE: U.S. Department of Commerce, Bureau of the Census, *Government Finances in 1962*.

Taxes payable by a man and wife with two children and who file a joint return vary according to their income. For the year 1962, they were as follows:

Gross Income	Tax	Tax as percent of income
\$2,500.....	0	-----
\$6,000.....	\$600	10
\$12,000.....	1, 784	15
\$30,000.....	7, 058	24
\$70,000.....	26, 812	38
\$132,000.....	65, 940	50
\$300,000.....	194, 804	65

NOTE: In calculating the tax, deductions for interest paid, contributions, medical expenses, etc., have been assumed to be 10 percent of adjusted gross income for all levels of income. Deductions are often greater, however, for taxpayers in the lower income groups who itemize their deductions. For example, at the \$6,000 level, deductions often run as high as a fifth, rather than a tenth of income.

In calculating taxable income, allowance is made for certain deductions and exemptions. The taxpayer may subtract from his gross income specified expenses incurred in producing the income and may make other specified deductions, for example, charitable contributions, interest on loans, losses, etc. Or, instead of specifying his deductions, he may take a standard deduction of 10 percent of his adjusted gross income, subject to certain limitations. He is also entitled to a \$600 exemption for himself and the same exemption for his wife and for each dependent, and to an additional exemption if he is over 65 years of age, or is blind.

Thus, an individual without dependents can earn up to \$675 a year before he becomes liable to pay income tax; a married man with a wife can earn up to \$1,325, and a married man with a wife and two dependent children, up to \$2,675 before paying any Federal income tax. (Data are for 1962.)

If the taxpayer works for an employer, the employer is required to withhold towards payment of Federal income tax a certain amount of the wage or salary due the employee, and to pay the amounts withheld to the Director of Internal Revenue. The amount withheld varies with the amount of the salary and the number of exemptions the employee claims on his withholding exemption certificate. It is computed to yield slightly less than the total tax that will presumably be due at the end of the year. The taxpayer must pay directly to the U.S. Treasury any remainder that is due; if large deductions or small income should result in a total tax bill that is less than the amount withheld, the taxpayer receives a refund from the Treasury.

Federal Corporation Income Taxes. Most corporations pay a "normal" tax equal to 30 percent of their taxable income, and a "surtax" equal to 22 percent of taxable income in excess of \$25,000.

Checks on Evasion. Any tax report may be investigated for correctness by agents of the Treas-

ury. Those showing large incomes usually are investigated. Others are selected for investigation if there is reason to question their accuracy. In addition, other reports are selected for checking, more or less at random. Many of the errors that are found are unintentional or result from a misunderstanding of the tax laws.

Federal Estate Tax. If the gross estate of a citizen or resident of the United States is valued at more than \$60,000 on the date of death, a Federal estate tax return must be filed. (There must be included in the gross estate the value of the property transferred to others before death, such as transfers made in contemplation of death, transfers with retained life estate,⁵ transfers taking effect at death, and certain revocable transfers.) A tax is imposed at graduated rates upon the taxable estate, if any. The taxable estate is the amount remaining after subtraction of a \$60,000 specific exemption and of other authorized deductions (such as debts, funeral expenses, bequests to charities and, subject to certain limitations, to surviving spouse, etc.) from the gross estate. In case of a deceased nonresident alien, property situated in the United States is subject to tax, with some exemptions.

Federal estate tax rates begin at 3 percent on the first \$5,000 of the value of the taxable estate and increase progressively to 77 percent on the part of the value of the taxable estate which exceeds \$10 million. Credits are authorized against the tax for death taxes paid to a State or territory (and, under certain circumstances, for death taxes paid to foreign countries). Examples of Federal estate taxes follow:

<i>Taxable estate</i>	<i>Total tax</i>
\$100,000.....	1 \$20,700
\$200,000.....	1 50,700 (\$20,700 plus 30 percent of the excess above \$100,000).
\$5,200,000.....	1 2,602,200 (\$2,468,200 on the \$5,000,000 plus 67 percent of the \$200,000).

¹ Before any authorized credits for State inheritance taxes, etc.

SOURCE: U.S. Treasury Department, Internal Revenue Service.

Federal, State, and Local Governments

The Federal Constitution, which went into effect in 1789, established the relationship between Federal and State Governments.

The Constitution gives the Federal Government power, among other things, over the issuance of

money, over defense and the military forces, imports and exports, and foreign relations. It also empowers Congress "To regulate commerce with foreign nations, and among the several States"—the interstate commerce clause. A series of protections for the individual against arbitrary government action was likewise written in as the first 10 amendments, and is known as The Bill of Rights.

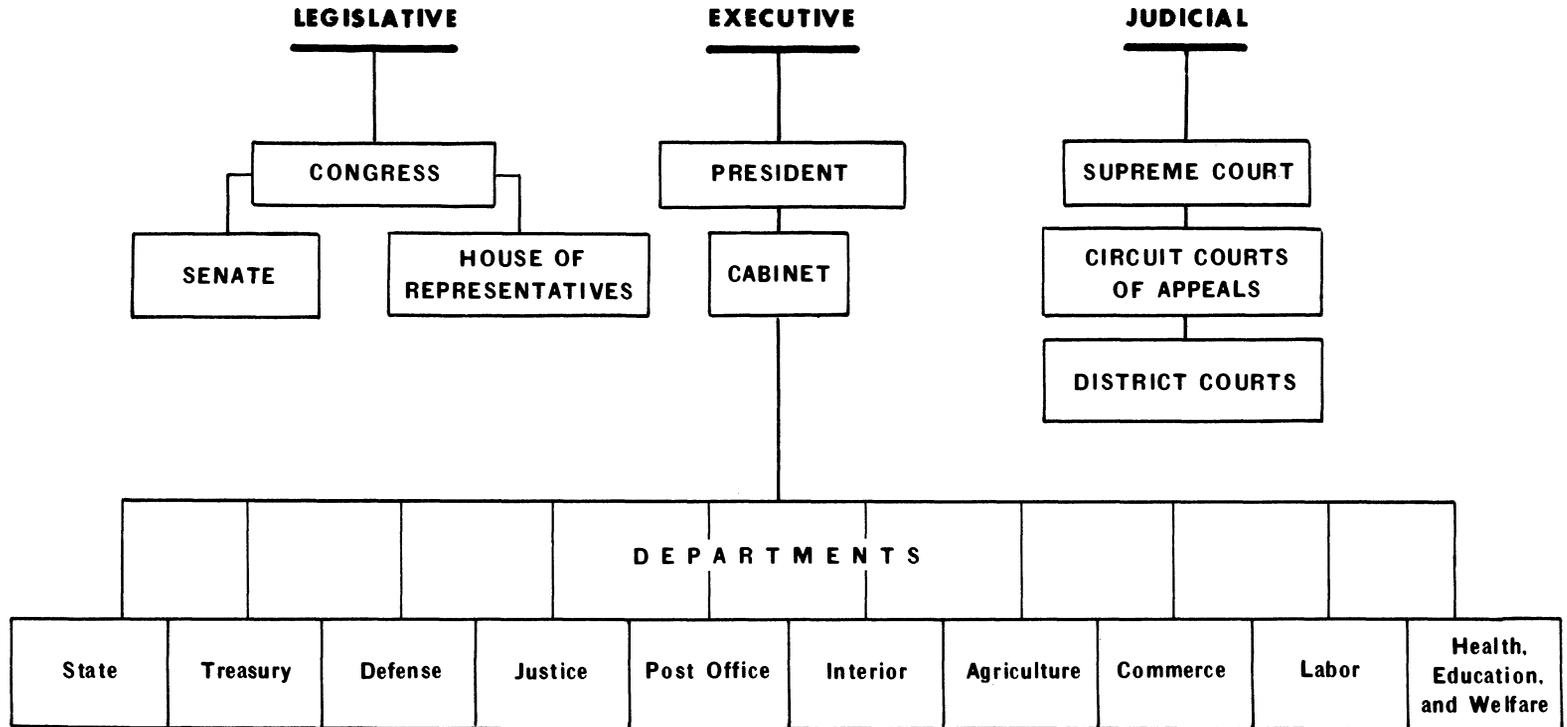
A central feature was the proviso that "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, *are reserved to the States* (italics supplied) respectively, or to the people." Thus many matters that in other countries are under the jurisdiction of the national government are in the United States the business of the separate States. For example, the Constitution had to be amended before the Federal Government could impose income taxes. Age and other qualifications for voting are established by State law, and vary somewhat from State to State. Cities (except Washington, D.C., which is governed by Congress) receive their powers from the States, not from the Federal Government; the Federal Government has no jurisdiction over them.

More than 100,000 governmental units are in operation in the United States—Federal, State, county, township, city and village units, school and other special-purpose districts, etc. A large proportion exist through State legislation and are directly or indirectly under the authority of the States. The school system, for instance, is in reality many school systems, one operated by each State and one in the District of Columbia as well as Puerto Rico, the Virgin Islands, and other U.S. possessions. There is no national system of education, though the Federal Government maintains an Office of Education in the Department of Health, Education, and Welfare to aid and advise the States.

The "interstate commerce" clause of the Constitution (broadly interpreted by the courts in recent years) furnishes authority (not specifically delegated to the Federal Government) for many actions by the central Government. Federal regulation of working conditions, for instance, extends to workers engaged in commerce or trade between the States, or in the production of goods

⁵ Property given away during donor's life over which donor has retained control.

ORGANIZATION OF FEDERAL GOVERNMENT



for interstate commerce, or in any process or occupation necessary to the production of goods for interstate commerce. This interpretation of interstate commerce is broad enough to place a majority of the wage and salaried workers in industry and commerce under the Fair Labor Standards Act (p. 39).

How the Federal Government is Organized

The Federal Government is organized in three coordinate branches: legislative, executive, and judicial. Each of the 50 States has a somewhat similar form of organization, with a governor and legislature, and a State system of courts.

The President's Cabinet is composed of the Secretaries, or chiefs, of the Departments. The Secretaries are responsible to the President. Congress confirms their appointments. The Vice President presides over the Senate.

The members of each branch of the Government are selected in a different way and for a different number of years. The President is elected for a term of 4 years. Members of the House of Representatives are elected for 2 years, and Senators for 6 years. Justices of the Supreme Court are appointed by the President with the consent of the Senate, and hold office for life (or as expressed "during good behavior").

The Government thus has what is known as a system of checks and balances. Every bill (proposed law) must be passed by both the House and the Senate, and signed by the President. The President can veto a bill, but a veto can be overridden by a two-thirds majority of both the House and the Senate. A law can be challenged before the U.S. Supreme Court if it is believed to be not in accord with the Constitution.

Political parties, although not mentioned in the Constitution, originated in the early years of the Republic. Only two major parties have been important. The political party having a majority in either House of Congress at the beginning of a session chooses as chairman the committee mem-

ber with the greatest seniority on that committee. New committee members are chosen after they have indicated interest in the committee's subject matter. The work of Congress is done to a considerable extent through the committees. Legislation may be proposed by the President or by Government departments, but must be initiated and passed by Congress.

In the conduct of foreign affairs, the Congress shares some of the power of the executive branch. The President has overall responsibility for direction of the foreign policy of the U.S. The Department of State advises the President on foreign policy and has primary responsibility for initiating and implementing foreign policy. The President appoints ambassadors, subject to the Senate's confirmation. The executive branch negotiates with foreign governments, but treaties must be ratified by a two-thirds vote of the Senate. The basic foreign policies may originate in the executive branch; however, most policies have a financial aspect and therefore require appropriations by Congress. The President is also Commander-in-Chief of the Armed Forces. A declaration of war must be passed by both Houses of Congress.

National elections for all members of the House of Representatives and for one-third of the Senate are held every 2 years (in even-numbered years, on the Tuesday after the first Monday in November); for the President and the Vice President, every 4 years. If a senator dies or resigns during his term, the Governor of the State, in most cases, appoints a successor. If a representative dies or resigns, a special election is held in the district he represents.

Each State elects 2 senators, a total of 100. In 1963, there were 435 members of the House of Representatives; the number elected from a State varies according to shifts in State populations. New York had the largest number of representatives, 41; California next, with 38; Pennsylvania was third with 27. Puerto Rico elects a nonvoting Resident Commissioner to the House of Representatives.

Women Workers

Over the years, more and more women work full or part time, and women are forming an increasingly important part of the labor force. In 1900, only 1 out of every 5 women was working for pay or profit. In 1962, on the average, over 24 million women, more than 1 out of 3, were in the labor force (economically active), and women constituted one-third of the total labor force. Women's participation is expected to rise, until by 1970, about 38 percent will be in the labor force, a total of nearly 30 million.

	<i>Percent of all women who were in the labor force</i>	<i>Women as percent of labor force</i>
1900.....	20	18
1920.....	23	20
1940.....	28	25
1945.....	37	36
1950.....	32	29
1958.....	36	33
1962.....	37	33

Increased labor force participation by women has resulted from changing social customs with respect to women's employment, better opportunities for education and training, increased opportunities for paid employment in urban communities, elimination of many of the burdens of household activities and desire to contribute to the family budget. Generally, there are noticeable differences in labor market participation of women as between rural and urban areas, and among racial, nationality, and income groups.

More than two-fifths of the single women, but only one-third of those married women with husbands present, were in the labor force in March 1962. The percent of each group in the labor force then was as follows:

<i>Marital status</i>	<i>Percent</i>
Single women.....	42
Married women (husband present).....	33
Married women (husband absent).....	49
Widowed or divorced women.....	37

In the case of almost one-third of the married couples in March 1962, both husband and wife were working. Before World War II, when it was much less customary for the wife to work, this proportion was only about one-ninth (data for 1940). Studies suggest that, in general, the higher the husband's income, the less the probability that

the wife will work. Most of the married working women have no children of preschool age.

Although some women are employed in nearly every occupation, women tend to concentrate in certain jobs. Clerical work is an important field for women—almost one-third of all employed women are clerks, stenographers, secretaries, etc. Occupations employing 200,000 or more women, and in which women constituted half or more of the total number of workers in 1960 were as follows:

Women constituted nine-tenths or more

- Professional nurses
- Babysitters
- Secretaries
- Private household workers (not elsewhere classified)
- Telephone operators
- Stenographers
- Typists
- Sewers and stitchers (factory)

Women constituted about four-fifths

- Beauticians
- Waitresses
- Teachers (elementary schools)
- Bookkeepers
- Cashiers

Women constituted about three-fourths

- Apparel and accessory operatives (factory)
- Attendants, hospitals and institutions
- Office-machine operators
- Laundry and dry-cleaning operatives

Women constituted one-half to two-thirds

- Cooks, except private household
- Packers and wrappers (not elsewhere classified)
- Sales clerks, retail trade

The number of women working as domestic workers in private families has greatly declined. In 1900, there was one domestic worker, on the average, to every 11 households; by 1961, there was one such worker to 24 households. The housewife finds it increasingly difficult to obtain domestic help, and usually cares for her family without paid assistance.

The 87th Congress (1961-62) included 20 women among its members. Nearly all States have some women legislators, also.

Women earn less, on the average, than men. For year-round full-time workers with work experience, the 1960 average income was \$2,531 for females and \$4,919 for males. These differences appear also in the major occupational groups.

The median income of all women and girls who had full- or part-time work experience in 1960 was \$1,829; that of men and boys, \$4,500. As previously noted, however, many women prefer to work only part time, or work for a part of the year.

Women's earnings are less than those of men for many other reasons. Many women work for only a few years when young, and perhaps return to the labor force after an interval of years devoted to household and family responsibilities; such women lack seniority in their place of employment. For the same reason, many women fail to gain long experience as they tend also to have less training than men; they usually occupy less skilled and

lower paid positions. Fewer women work in the highly unionized, highly paid industries, such as steel or construction; more of them work in occupations where pay is less for both men and women. Finally, there is some tendency to pay less to a woman than to a man for identical work. However, some States have had laws establishing the principle of equal pay for equal work. In 1963, Congress passed an equal pay law. (See p. 50.) Some important contracts between trade unions and management require equal pay for equal work, or set the pay rates for each job without regard to the sex of the worker performing it.

About 3,300,000 women were members of trade unions in 1960.

Negroes in the Economy of the United States

An important development of the past several decades in the United States has been the steady improvement in the status of Negroes. Although they still lag behind whites in education, income, occupational level, and steadiness of employment, the historical differences between the two have narrowed.

As indicated earlier, nearly all the nonwhite residents of the United States are Negroes. The term nonwhites is therefore used in this discussion when data are not available for Negroes alone.

Population

The nonwhite population has varied between 10 and 12 percent of the United States total since 1900. Birth rates are higher among Negroes than among whites, but death rates are also higher. Decreases in the death rate, however, have been greater for Negroes, especially since 1935, which largely accounts for the slight increase in Negroes as a percent of the total population in recent years.

Migration

Negroes, like whites, move about a good deal. Both groups tend to move from country to city, and by 1960, about 7 out of every 10 persons, white or nonwhite, lived in urban communities (places having 2,500 or more population).

	<i>Percent living in urban communities</i>	
	<i>White</i>	<i>Nonwhite</i>
1900.....	43.0	22.6
1920.....	53.4	33.8
1940.....	57.5	47.9
1950.....	64.1	60.6
1960.....	63.5	72.4

Under the impetus of economic opportunities during World War II, many Negroes moved away from the South, especially from southern farms, and migrated to the North or to the West Coast. Most Southern States registered fewer nonwhites in the 1950 census than in 1940. This outward movement continued during the fifties, but at a somewhat reduced rate. However, some Southern States in 1960 recorded an increase in nonwhite population presumably the result of medical ad-

vances and a declining death rate among nonwhites. The greatest 1950-60 gains in nonwhite population occurred in California, Illinois, Michigan, and New York.

Labor Force

Almost all men aged 25 to 54, both white and nonwhite, are in the labor force (table 21). Among women, relatively more nonwhites than whites have traditionally sought jobs. However, these differences are not as great as they were a few years ago. A major factor in reducing the differences has been the exodus of Negroes from sharecropping and other small-scale farming where, more than in other types of enterprises, the very young and the very old tend to be at work. In addition, the proportion of school age nonwhites enrolled in school, and hence out of the labor market, has increased more rapidly than the proportion of white youths.

Unemployment

Unemployment is more common among Negroes than among whites. For example, a third of the nonwhite men and boys who worked at some time in 1961 (outside of agriculture) suffered some unemployment or layoff during the year, compared with less than a fifth of the whites.

	<i>Percent of males unemployed</i>	
	<i>White</i>	<i>Nonwhite</i>
All nonagricultural work.....	17.5	33.2
Manufacturing	18.1	38.8

Differences result in part from the temporary nature of many unskilled jobs, in which a large proportion of Negroes are employed, and from the often lower seniority status of Negroes owing to their more recent entry into factory and office work.

Unemployment rates vary with age in both white and Negro groups. In 1962, with 4.6 percent of all white males unemployed, unemployment at ages 14-17 and 18-19 was above 12 percent each (table 22). But more young nonwhites in these age groups, girls as well as boys, were unemployed.

TABLE 21. PERCENT OF THE CIVILIAN POPULATION IN THE LABOR FORCE, BY COLOR, AGE, AND SEX, ANNUAL AVERAGES, 1951 AND 1962

Age	Male				Female			
	White		Nonwhite		White		Nonwhite	
	1951	1962	1951	1962	1951	1962	1951	1962
Total, 14 years and over.....	84.0	78.6	83.7	76.4	32.6	35.6	44.9	45.6
14-19 years.....	49.2	40.8	55.3	38.4	32.5	29.7	28.9	24.0
20-24 years.....	88.4	86.5	88.7	89.3	46.7	47.1	45.4	48.6
25-34 years.....	97.0	97.4	95.7	95.3	33.6	34.1	51.1	52.0
35-44 years.....	97.6	97.9	96.4	94.5	33.0	42.2	55.8	59.7
45-54 years.....	96.0	96.0	95.1	92.2	38.0	48.9	55.5	60.5
55-64 years.....	87.4	86.7	84.6	81.5	26.8	38.0	39.8	46.1
65 years and over.....	44.5	30.6	49.5	27.2	8.5	9.8	14.0	12.2

NOTE: Figures exclude persons in institutions.

SOURCE: U.S. Department of Commerce, Bureau of the Census, and U.S. Department of Labor, Bureau of Labor Statistics.

Occupational Grouping

Occupational differences between Negroes and whites are still large, but in the past 22 years, Negroes have raised their occupational level appreciably faster than have whites.

In 1962, more than a fourth of the white males working—but only 8 percent of the nonwhites—were in professional or managerial occupations outside of agriculture (table 23). Over half the nonwhite men were in nonfarm manual occupations, but only 9 percent were skilled craftsmen or foremen as compared with near 20 percent of the whites. More than 14 percent of the nonwhite men were in service occupations and almost as many were still doing farm work, compared with about 6 and 9 percent, respectively, for the whites. Many of those in agriculture, both white and nonwhite, were operating their own farms, but the percent of farm laborers was greater among nonwhites.

TABLE 22. UNEMPLOYED AS PERCENT OF CIVILIAN LABOR FORCE, BY AGE, ANNUAL AVERAGE, 1962

Age	Male		Female	
	White	Non-white	White	Non-white
Total, 14 years and over....	4.6	11.0	5.5	11.1
14-17 years.....	12.1	19.9	11.7	24.1
18 and 19 years.....	12.7	21.8	11.3	31.2
20-24 years.....	8.0	14.6	7.7	18.2
25-34 years.....	3.8	10.5	5.4	11.5
35-44 years.....	3.1	8.6	4.5	8.9
45-54 years.....	3.7	8.8	3.6	5.9
65 years and over.....	4.1	11.9	4.0	3.7

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

TABLE 23. DISTRIBUTION OF EMPLOYED PERSONS, BY MAJOR OCCUPATIONAL GROUP, COLOR, AND SEX, APRIL 1940 AND APRIL 1962

Major occupation group and sex	Number (thousands)		Percent			
	1962		1940	1962	1940	1962
	White	Non-white	White		Nonwhite	
MALES						
Total.....	40,104	4,079	100.0	100.0	100.0	100.0
Professional, technical, and kindred workers.....	4,924	181	5.9	12.3	1.9	4.4
Managers, officials, and proprietors, except farm.....	6,119	157	10.6	15.3	1.6	3.8
Clerical and kindred workers.....	2,891	255	7.1	7.2	1.2	6.2
Sales workers.....	2,576	65	6.7	6.4	.9	1.6
Craftsmen, foremen, and kindred workers.....	7,982	367	15.5	19.9	4.4	9.0
Operatives and kindred workers.....	7,497	968	18.8	18.7	12.2	23.7
Laborers, except farm and mine.....	2,352	895	7.5	5.9	20.5	21.9
Service workers, except private household.....	2,305	600	5.8	5.7	12.4	14.7
Private household workers.....	27	22	.2	.1	2.9	.5
Farmers and farm managers.....	2,379	221	14.0	5.9	21.3	5.4
Farm laborers and foremen.....	1,052	349	6.8	2.6	19.9	8.6
Occupation not reported.....			1.0		.7	
FEMALES						
Total.....	19,914	2,727	100.0	100.0	100.0	100.0
Professional, technical, and kindred workers.....	2,740	201	14.3	13.8	4.3	7.4
Managers, officials, and proprietors, except farm.....	1,103	45	4.3	5.5	.8	1.7
Clerical and kindred workers.....	6,669	279	24.6	33.5	1.0	10.2
Sales workers.....	1,625	61	8.0	8.2	.6	2.2
Craftsmen, foremen, and kindred workers.....	220	18	1.2	1.1	.2	.7
Operatives and kindred workers.....	2,891	397	20.2	14.5	6.6	14.6
Laborers, except farm and mine.....	90	22	.9	.5	.9	.8
Service workers, except private household.....	2,752	613	11.3	13.8	10.5	22.5
Private household workers.....	1,259	1,016	10.8	6.3	58.0	37.3
Farmers and farm managers.....	130	7	1.2	.7	3.2	.3
Farm laborers and foremen.....	437	66	1.2	2.2	12.8	2.4
Occupation not reported.....			2.0		1.1	

NOTE: 1962 estimates are not completely comparable with 1940.

SOURCE: U.S. Department of Commerce, Bureau of the Census, and U.S. Department of Labor, Bureau of Labor Statistics.

These percents represent a gain in occupational status for both white and nonwhite men, but particularly for the latter. No marked change has been noted in the skilled and semiskilled blue-collar occupations in the last few years, but Negroes have generally held the gains made during World War II, when many moved into the semiskilled factory operative and related occupations.

The percent of nonwhite men working as skilled craftsmen or foremen more than doubled between 1940 and 1962, as did the percent in professional

TABLE 24. NONWHITE EMPLOYMENT AS PERCENT OF TOTAL EMPLOYMENT IN EACH MAJOR OCCUPATIONAL GROUP, BY SEX, APRIL 1940 AND APRIL 1962

Major occupational group	Nonwhite men as percent of employed men		Nonwhite women as percent of employed women	
	1940	1962	1940	1962
Total employed.....	9.0	9.2	13.9	10.0
Professional, technical, and kindred workers.....	3.1	3.5	4.6	6.8
Managers, officials, and proprietors, except farm.....	1.5	2.5	2.8	3.9
Clerical and kindred workers.....	1.6	8.1	1.7	4.0
Sales workers.....	1.4	2.5	1.1	3.6
Craftsmen, foremen, and kindred workers.....	2.7	4.4	2.3	7.6
Operatives and kindred workers.....	6.1	11.4	5.0	12.1
Laborers, except farm and mine.....	21.2	27.6	(1)	(1)
Service workers, except private household.....	17.4	20.7	13.1	18.2
Private household workers.....	(1)	(1)	46.5	44.7
Farmers and farm managers.....	13.1	8.5	30.2	5.1
Farm laborers and foremen.....	22.5	24.9	62.9	13.1

¹ Figures not shown where base in either year is less than 100,000.

SOURCE: U.S. Department of Commerce, Bureau of the Census, and U.S. Department of Labor, Bureau of Labor Statistics.

and technical occupations and the percent of non-farm managers, officials, etc. In each of these groups, nonwhites gained faster than whites. Probably some of the Negro men who left the farm became unskilled laborers in urban areas, but the rise in the percent at such work was small; the percent in service jobs was virtually unchanged.

The most common occupation of nonwhite women in 1962, as in 1940, was domestic service work. However, the number at such work fell from 58 to 37 percent of nonwhite women workers. The number of women in service work outside private households rose above 22 percent and the number of factory operatives to almost 15 percent—more than double in each case. Far more of the nonwhite women were clerical workers by 1962, though they still constituted only a fraction of the corresponding proportion of whites. A big drop occurred in the percent of nonwhite women doing farm work.

These shifts resulted, by April 1962, in giving nonwhite men many more of the semiskilled factory operative and clerical jobs and more of the professional and technical, managerial, crafts and foremen, and sales jobs (table 24). There were also relatively more nonwhite laborers and service workers in 1962 than in 1940. Nonwhites had left the farms, meanwhile, in relatively greater numbers than whites.

Wage and Salary Income

Since earnings vary with occupation, the relative rise in Negroes' occupational levels (table 25), as well as their continuing concentration in the less skilled jobs, is reflected in their earnings. Whites average higher earnings than Negroes, but the gap is somewhat less than in earlier years. In 1939, nonwhite male workers earned, on the average, about 41 percent as much as white; by 1960, nearly 60 percent. The corresponding percents for nonwhite female workers were about 36 and 50.

These averages are reduced by the inclusion of many part-time or part-year workers. If figures are limited to those who worked a full year, nonwhites do relatively better than when part-time earnings are included. For full-year full-time work, nonwhite males in 1960 averaged \$3,789, which was about 67 percent of the rate for white males.

When family rather than individual incomes are compared, the Negro-white difference is somewhat less, as a higher proportion of Negro family members are in the labor force.

Government Employment

The number of nonwhites working in Federal, State, and local government rose from 214,000 in 1940 to more than 1 million in 1962, a fivefold increase. The proportion of nonwhites to all gov-

TABLE 25. MEDIAN WAGE AND SALARY INCOMES OF WHITE AND NONWHITE PERSONS, 1939-60
[14 years and over]

Year	Male		Female		Nonwhite as percent of white	
	White	Non-white	White	Non-white	Male	Female
All persons with wage or salary income:						
1939.....	\$1,112	\$460	\$676	\$246	41.4	36.4
1947.....	2,357	1,279	1,269	432	54.3	34.0
1957.....	4,396	2,436	2,240	1,019	55.4	45.5
1958.....	4,569	2,632	2,364	1,055	58.0	44.6
1959.....	4,902	2,844	2,422	1,289	58.0	53.2
1960.....	5,137	3,075	2,537	1,276	59.9	50.3
Year-round full-time workers with wage or salary income:						
1939.....	1,419	639	863	327	45.0	37.9
1957.....	4,950	3,137	3,107	1,506	63.4	60.1
1958.....	5,196	3,368	3,225	1,968	64.9	61.6
1959.....	5,456	3,339	3,306	2,196	61.2	66.4
1960.....	5,662	3,789	3,410	2,372	66.9	69.6

SOURCE: U.S. Department of Commerce, Bureau of the Census.

ernment employees rose from 5.1 to 12.1 percent. Estimated government employment in April of selected years shown below covers all government services, including blue-collar workers hired directly by government agencies, and teachers:

	1940	1956	1960	1961	1962
Government employees, total.....	4,202,000	7,177,000	8,520,000	8,150,000	8,647,000
Nonwhites employed in government.....	214,000	670,000	855,000	932,000	1,046,000
Nonwhites as percent of total.....	5.1	9.3	10.0	11.4	12.1

Cooperatives

Cooperatives are much less prominent in the United States than in some countries, though few countries have developed as many different kinds of cooperative enterprise. For example, cooperatives are found in agriculture, retail trade, medical care, insurance, credit, housing, rural telephone and electric service, nursery schools, student housing and bookshops. In 1962, about 15 million families out of a total of 46 million in the country were reported to be members of cooperatives. This, however, is a rough estimate, since cooperatives are not required to register or report to a central government agency, and there is no central overall federation embracing all types of cooperative societies which collects statistics on their activities.

The Cooperative League of the U.S.A., organized in 1916 as a federated body to serve as a national service agency for its members, is the closest counterpart to the European central cooperative federation; but not all cooperative organizations belong to it. The League is composed of regional and State wholesale cooperatives and insurance companies, the Credit Union National Association, the National Rural Electric Cooperative Association, Group Health Association of America and National Cooperatives, among others. The Cooperative League belongs to the International Cooperative Alliance and in recent years has played an increasing role in this organization.

The core of the cooperative movement in the United States, both producer and consumer, is in *agriculture*. The bulk of cooperative purchasing and almost all cooperative marketing is done by farmer associations; about 3 out of 5 farmers belong to cooperatives. (Since many farmers belong to more than one cooperative association, the total of 7.2 million members of farm marketing, supply, and related co-ops in 1960-61, was greater than the total of about 3.8 million farm operators.) Roughly 20 to 25 percent of farm products are handled by cooperatives at some point in the marketing or other distribution process. Cooperatives do about 15 percent of the total farm supply business. Cooperative associations also supply various services closely related to farm marketing such as trucking, storage, grinding, cold storage, and cotton ginning.

Another important group of cooperatives in rural areas is the *rural electric cooperatives*, which borrow money from the U.S. Rural Electrification Administration (REA) to finance distribution, generation, and transmission facilities in rural areas. At the end of 1962, more than 5 million rural consumers received central station electric service. REA has estimated that nearly 98 percent of farms now receive electricity, more than half of them through cooperatives. The REA-aided systems in 1961 furnished more than 9 percent of total U.S. residential or domestic consumption of electricity. REA also makes loans to cooperatives for the construction of rural *telephone* lines.

Credit unions have expanded rapidly since World War II. They are most often formed among persons with a common bond, such as the same employer, a neighborhood, a college, or a church, for the purpose of making small personal loans to members at low rates, and to encourage thrift. At the end of 1961, nearly 13 million persons were members of the more than 20,000 credit unions. Loans outstanding (excluding mortgage loans on real estate) totaled \$4.3 billion, about 10 percent of the installment credit extended to consumers by all types of financial institutions and retail outlets. The loans to a total of \$5.5 billion, were made to members who have invested in the credit unions. The aggregate amount of these loans exceeds the total invested in the postal savings system, but is only a fraction of the amounts in savings and loan associations or in mutual savings banks.

In recent years, consumer cooperatives have been extended into the field of *medical care*. Cooperative medical care plans feature prepayment, comprehensive care, group practice, ownership and management of facilities by voluntary member associations, and membership control of the economic and business aspects. (Physicians and dentists direct the medical and dental services.) Although not all cooperative medical care plans provide at the outset for group practice, that is their ultimate aim. In 1961, nearly 8 million persons were members of nonprofit voluntary prepayment health plans. Many of them belonged to plans sponsored

by community organizations or by employer-employee welfare associations. Over 3.5 million had access to group practice clinics. In some parts of the country, notably in New York, on the West Coast, and in the northern States from Wisconsin westward, cooperative and other types of consumer-controlled group practice plans contribute substantially to the medical care of the population. Affiliates of the Group Health Association of America, Inc., represent some 5 million consumers in the United States, Canada, and Mexico. The Association helps interested groups to establish consumer-sponsored group practice prepayment medical care plans, sets standards, etc.

Cooperatives exist also in the field of *housing*. Since the end of World War II, cooperative housing has experienced a small boom in the United States. The National Housing Act was amended in 1950 to add Section 213 which extended the Federal mortgage insurance program to cooperatives. At the end of 1961, some \$890 million in mortgages had been insured under this program, on 41,700 management-type cooperative dwelling units (mainly apartments) and 31,700 sales-type cooperative units (individual houses which on completion by the cooperatives were sold to individuals). Many of the management-type projects are in New York City. Cooperatives have also been built under State laws permitting partial tax rebates to limited-dividend or nonprofit housing companies.

In the field of *retail trade*, in 1961, cooperatives did the most of their business in feed, fertilizer, and farm and garden supplies. They were of some importance also in gasoline service stations, fuel and fuel oil, and farm machinery sales. According to a report by the Cooperative League of the U.S.A., furthermore, 46 major cooperative grocery centers with 154,000 members did \$94 million worth of business in 1961-62. Many of the centers also operated general merchandise, drug, or other types of business. The total sales of several hundred smaller co-op food stores, many of them in the upper Midwest, also were considerable.

American cooperatives generally do not receive Government assistance. Farm cooperatives, however, may borrow from 13 banks for cooperatives which were organized by the Federal Government in 1933, as part of the farm credit system; the Government has not extended similar aid to non-

TABLE 26. CONSUMER COOPERATIVES, BY TYPE OF ASSOCIATION, 1961

Type of association	Number of associations	Number of members	Volume of business (thousands)
Credit unions.....	20,612	12,903,443	\$4,852,231
Electric power cooperatives.....	889	4,533,512	603,645
Rural telephone cooperatives.....	208	380,848	32,303
Nonprofit voluntary prepayment health plans.....	(1)	7,961,700	400,500
Community sponsored.....	(1)	3,232,300	147,600
Employer-employee union.....	(1)	4,729,400	252,900
Housing.....	1,557	73,439	890,162
Farmer retail supply cooperatives ²	7,016	(1)	2,472,286
Producers' goods.....	³ 4,400	(1)	1,511,714
Petroleum products.....	2,798	(1)	621,910
Meats and groceries.....	896	(1)	51,937
Other supplies.....	6,214	(1)	286,725

¹ Data not available.

² Data are for year 1960-61 and are preliminary. Because many cooperatives do more than one type of business, totals are less than the number that would be obtained by adding the number of cooperatives handling individual items or performing individual services.

³ Approximate number only.

SOURCES AND NOTES: Data, compiled by U.S. Department of Labor, Bureau of Labor Statistics from agencies listed below, are published annually in the *Statistical Abstract of the United States*, U.S. Department of Commerce. *Credit unions*: U.S. Department of Health, Education, and Welfare, Social Security Administration. "Volume of business" represents loans outstanding at end of year.

Electric power cooperatives: U.S. Department of Agriculture, Rural Electrification Administration. Distribution cooperatives currently borrowing from REA, average number of consumers served, and 1961 revenue from electric service.

Rural telephone cooperatives: U.S. Department of Agriculture, Rural Electrification Administration. Cooperatives currently borrowing from REA, number of subscribers at end of year, and 1961 revenue.

Health plans: U.S. Department of Health, Education, and Welfare, Social Security Administration. "Volume of business" refers to income of the associations.

Housing: Federal Housing Administration. Cooperative projects insured, housing units, and value of mortgages, cumulative from beginning of section 213 program, in 1950, through December 31, 1961.

Farmer supply cooperatives: U.S. Department of Agriculture, Farmer Cooperative Service.

farm societies. Rural electric and telephone cooperatives also receive Government loans through the REA at lower rates than would be available through private credit channels. Cooperatives, whether farm or nonfarm, are not taxed on earnings distributed to patrons in proportion to their purchases, since these returns do not constitute income to the cooperative. Some farm cooperatives qualify for tax-exempt status and these may also deduct from their gross taxable income the amounts paid as interest or dividends on their capital stock. However, very few farm purchasing cooperatives qualify for this exemption.

The AFL-CIO upholds the principles of cooperation, and some unions, notably the Amalgamated Clothing Workers of America and the International Ladies' Garment Workers' Union, have been instrumental in furthering cooperative practice, particularly through their sponsorship of housing and health cooperatives for their members and of consumer cooperatives. However, in the United States, there is no overall organic connection between trade unions and cooperatives.

Metric Equivalents of United States Measures

METRIC EQUIVALENTS OF COMMON U.S. WEIGHTS AND MEASURES, AND TEMPERATURE CONVERSION

U.S. system	Conversion, U.S. and metric systems	
	<i>Length</i>	
12 inches=1 foot (ft.).....	1 inch=2.540 centimeters.....	1 centimeter=0.394 inches.
3 feet=1 yard (yd.).....	1 foot=0.305 meters.....	1 meter=3.281 feet.
5½ yards=1 rod (rd.).....	1 yard=0.914 meters.....	1 meter=1.094 yards.
5,280 feet=1 mile (mi.).....	1 mile=1.609 kilometers.....	1 kilometer=0.621 mlie.
	<i>Area</i>	
4,840 square yards=1 acre (A.).....	1 square inch=6.452 square centimeters.....	1 cm ² =0.155 sq. in.
100 square rods=1 acre.....	1 square foot=0.093 square meters.....	1m ² =10.764 sq. ft.
640 acres=1 square mile (sq. mi.).....	1 square yard=0.836 square meters.....	1m ² =1.196 sq. yd.
In U.S. land measurement a square mile is sometimes called a "section."	1 square mile=2.590 square kilometers.....	1 km ² =0.386 sq. mi.
	<i>Volume</i>	
1,728 cubic inches=1 cubic foot (cu. ft.).....	1 cubic inch=16.387 cubic centimeters.....	1 cm ³ =0.061 cu. in.
27 cubic feet=1 cubic yard (cu. yd.).....	1 cubic foot=28.317 cubic decimeters.....	1 dm ³ =0.035 cu. ft.
A "barrel" is a measure that varies from one commodity to another. It is set mostly by State laws.	1 cubic yard=0.765 cubic meters.....	1 cubic meter=1.308 cu. yd.
	<i>Capacity (liquid measure)</i>	
16 fluid ounces (fl. oz.)=1 pint (pt.).....	1 fluid ounce=2.957 centiliters.....	1 centiliter=0.338 fl. oz.
2 cups=1 pint.....	1 pint=0.473 liters.....	1 liter=2.113 pints.
2 pints=1 quart (qt.).....	1 quart=0.946 liters.....	1 liter=1.057 quarts.
4 quarts=1 gallon (gal.).....	1 gallon=3.785 liters.....	1 dekaliter=2.642 gallons
	<i>Capacity (dry measure)</i>	
2 pints=1 quart.....	1 pint=0.551 liters.....	1 liter=1.816 pints.
8 quarts=1 peck.....	1 quart=1.101 liters.....	1 liter=0.903 quarts.
4 pecks=1 bushel.....	1 peck=0.881 dekaliters.....	1 dekaliter=1.135 pecks.
	1 bushel=3.524 dekaliters.....	1 dekaliter=0.284 bushels.
	<i>Weight (avoirdupois)</i>	
16 ounces=1 pound (lb.).....	1 ounce=28.350 grams.....	1 gram=0.035 ounce.
2,000 pounds=1 short ton.....	1 pound=0.454 kilograms.....	1 kilogram=2.205 pounds.
2,240 pounds=1 long ton.....	1 short ton=0.907 metric tons.....	1 metric ton=1.102 short tons.
	1 long ton=1.016 metric tons.....	1 metric ton=0.984 long tons.
	1 (short) ton-mile=1.460 metric ton-kilometers.....	1 metric ton-kilometer=0.685 (short) ton-miles.

Troy weight, rather than avoirdupois, is used for precious metals; apothecary weight is used for drugs.

Degrees Fahrenheit	Temperature	Degrees Centigrade
32	Freezing point of water.....	0
212	Boiling point of water.....	100
98.6	Normal body temperature.....	37

Simplest conversion formula, Fahrenheit into Centigrade: Subtract 32 from degrees Fahrenheit, multiply the result by 5 and divide by 9.

NOTE. The United States system differs only in minor ways from that of Great Britain.

SOURCE: U.S. National Bureau of Standards, *Units of Weight and Measure*.